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PUNDIT LOOKS AT SOUTH AFRICAN GRAPEFRUIT • GUACAMOLE • AUSTRALIAN/NEW ZEALAND PRODUCE
SOUTHERN FRUIT • SPRING GRAPES • REGIONAL PROFILE: LOS ANGELES • MUSHROOMS ON THE MENU
SWEET ONIONS • TOMATOES • MELONS • LICENSED FLORAL PRODUCTS • WALNUTS

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PRODUCE QUIZ

THIS MONTH'S WINNER:



Joe Sferrazza
Regional Sales Manager
Supreme Cuts LLC
Mahwah, NJ

How To Win

To win the PRODUCE BUSINESS Quiz, the first thing you have to do is enter. The rules are simple: Read through the articles and advertisements in this issue to find the answers. Fill in the blanks corresponding to the questions below, and either cut along the dotted line or photocopy the page, and send your answers along with a business card or company letterhead to the address listed on the coupon. The winner will be chosen by drawing from the responses received before the publication of our June issue of PRODUCE BUSINESS. The winner must agree to submit a color photo to be published in that issue.

Joe Sferrazza has been in the produce industry since 1991, and with Supreme Cuts for a little more than three years. "It seems like I've been in the business forever," he admits. "The passion people have working with produce — it's amazing. There's always great energy."

According to Sferrazza, Supreme Cuts is the leading supplier of snipped green beans in the United States and also an importer of specialty produce. "We sell primarily to regional foodservice operations such as Wegmans, Acme Markets, Meijer, Wakefern, Bozzuto's and King Kullen.

When he's not focused on fresh produce, Joe often finds himself in the kitchen. "I like to cook. It's relaxing," he says. "And when the weather cooperates, I like to spend time outdoors, even in the winter. For instance, on Valentine's Day, my girlfriend and I went walking underneath frozen waterfalls. It was cold out, for sure, but we had fun."



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- 2) How many people have said 'Hello' to Dole's Salad Guide? _____
- 3) Maurice A. Auerbach, Inc. markets what brand of produce? _____
- 4) What is the 800-number for California Sun Dry Foods? _____
- 5) What company owns the trademark for Champagne mangos? _____
- 6) Pura Vida Farms will be exhibiting at what United booth number? _____

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THE NATURAL CHOICE.



WASHINGTON GRAPEVINE

A report on the inside happenings of government.

SUBMITTED BY TOM STENZEL, PRESIDENT AND CEO • UNITED FRESH PRODUCE ASSOCIATION



Get Involved, Stay Involved

It's April and that means one thing: Time for the United Fresh show. We welcome those of you joining the industry in Las Vegas and encourage those members that couldn't make it out this year to remain engaged in the continued development of the produce industry.

If you can't join the industry leaders meeting in Las Vegas, you can still experience the show via United Fresh TV. This new media-rich website will showcase some of the highlights from each day of the United show. Just go to www.unitedfresh.tv beginning April 21 and view the highlights from the convention. What's more, you'll see a live broadcast as United honors the top retail produce managers of the year, Thursday, April 22, 4pm EST, 1pm PST.

While we're in Las Vegas, we will discuss many of the key players, factors and outside influences and their corresponding effects on the produce industry. These issues include innovative technology, labor and immigration reform, child nutrition policy, trade opportunities and barriers, food safety regulation and USDA inspection. Additionally, even seemingly outside matters, such as climate change and health care reform, can impact our industry, thus requiring engagement from our members and volunteer leaders at annual gatherings like United Fresh 2010. Quite simply, our gatherings are where the first steps are taken in moving opinion into action.

At the Las Vegas convention, we'll talk with Eric Goldstein and Jorge Collazo from the New York Department of Education's SchoolFood. Together, Goldstein and Collazo oversee the creation of school meals for more than 850,000 students in more than 1,600 schools every school day in New York City. We'll explore how the two have been able to bring healthy, fresh fruits and vegetables to the largest school district in the nation through the purchase of 99 fruit and vegetable salad bars, as well as innovative menu design.

We'll explore the recent Healthy Foods in Schools Act introduced last month by Sen. Barbara Boxer, D-CA, looking closely at its potential to not only improve the nutri-

increasing sales and benefiting regional and local produce businesses.

In September, United Fresh will continue those discussions and many more like them, welcoming concerned and active members of the industry to the nation's capital for the annual Washington Public Policy Conference. We'll build off of last year's record attendance and take our views on food safety, child nutrition, labor, immigration and more directly to lawmakers. No middleman, no letters, just face-to-face time with the members of Congress who have the power to change and improve the way you do business.

But progress can't be made without your involvement. You are the ones on the ground, dealing every day with the rules and regulations created for you in Washington. Not having a solid input on their creation puts you at a clear disadvantage. While we work tirelessly with allies old and new on Capitol Hill to tell your story, we won't ever be as effective as we can be without your help.

Every day of the year, United Fresh is making a difference for our industry in Washington, D.C. United's leadership, members and staff work very effectively to reach policymakers and regulators who can shape the future of the produce industry. None of this happens, however, if you're not here to make it so. Sometimes it's easy to focus only on your fields, packinghouses, processing facilities or your bottom lines. The problems and process of Washington politics seem far removed from your operations. To the thousands of industry leaders who are engaged through United Fresh events, programs and membership, thanks for helping to keep our industry competitive and profitable.

Keep in touch with PRODUCE BUSINESS and with United Fresh in the coming months for more information on the Washington Public Policy Conference, and we look forward to working side by side with you in September.

Progress can't be made without your involvement. You are the ones on the ground, dealing every day with the rules and regulations created for you in Washington. Not having a solid input on their creation puts you at a clear disadvantage. While we work tirelessly with allies old and new on Capitol Hill to tell your story, we won't ever be as effective as we can be without your help.

tional quality of school meals and health of American school children, but also its impact on the produce industry in terms of

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Daring To Challenge Food Safety Dogma

Food safety, like motherhood and apple pie, is a virtue that is almost impossible to speak out against. One photo, a single video clip, a poignant interview with anyone who has been injured as a result of a food safety incident is enough to set up the dynamic where any consumer, regulator or legislator watching or reading the stories begins to think, "something must be done."

The public policy implications of this dynamic are significant and turbocharged by the fact that few companies or executives are likely to speak out against it. There is little upside for anybody to come to be identified as the "guy who doesn't want to spend money to make his food safe."

Though it is true that more dispassionate observers recognize that food safety is a "good" that costs money and that the pursuit of food safety is the pursuit of one particular "good" that must be measured against expenditures to obtain other desirable goals, this wonkish attitude with its dour requirement for assessment of costs and benefits tends to get lost in the shuffle. It is the tugging on heart strings that drives this issue.

From a policy standpoint, this is not a good thing. After all it means that as a society we are avoiding the hard choices. How much money are we prepared to spend to save a life or avoid an illness or prevent discomfort? We are not really weighing the merits of, say, spending our money on safer highways versus food safety. This results in a misallocation of resources and makes us poorer as a society than we need to be.

The emotional power of the argument for food safety also makes the industry something of a "mark" for those interested in promoting a particular ideology. We saw this very clearly when the Center for Science in the Public Interest (CSPI) came out with its "Ten Riskiest Foods" report. The report was bizarre — not differentiating between heavy-consumption items, such as leafy greens, and items rarely consumed, such as oysters... it didn't distinguish between produce items, such as potatoes, and, say, home-made potato salad, and it didn't distinguish between time periods, such as food safety problems before modern controls were implemented and after, as with the establishment of the California Leafy Green Products Handler Marketing Agreement.

CSPI's attack on the industry was especially wounding to the trade because Caroline Smith DeWaal, director of food safety at CSPI, serves on the board of advisers of the Center for Produce Safety. So she knew better.

It is fair to say that the whole incident indicated the limitations of "engagement strategy" — the approach that suggests the industry should get its opponents involved on its various boards and committees with the hope that mutual understanding can flower. Though it has become a truism to say that one should keep one's friends close and one's enemies closer, the approach's effectiveness at changing policy depends, crucially, on all parties actually caring about the same issue.

Unfortunately, groups such as CSPI don't so much care about food safety as they care about promoting a certain type of society in which elites make decisions for us all and in which the sphere of personal autonomy is reduced as the federal government becomes progressively more powerful.

This mind-set is demonstrated clearly by programs such as "The Produce Safety Project at Georgetown University." To the shameless disregard of the academic reputation of Georgetown University, the school permits an outright advocacy group to usurp the good name and reputation of the university. The "project" details its mission on its web site: *The Produce Safety Project at Georgetown University seeks the establishment by the Food and Drug Administration of mandatory and enforceable safety standards for domestic and imported fresh produce, from farm to fork.*

So it was not surprising that the project published a report claiming that foodborne illness is costing the United States \$152 billion a year, of which foodborne illness due to produce was supposedly costing \$39 billion a year. What virtually the entire mass media missed in reporting the story was to explain that this "project" wasn't just devoted to the pursuit of truth but was an advocacy group promoting a specific policy — enhanced FDA authority. The study is best seen not as a legitimate analysis but as a

scare tactic designed to get headlines that will promote the "project's" mission.

Of course, some fight the good fight. The Alliance for Food and Farming paid for a study that tried to pinpoint the degree to which foodborne illness related to produce has anything to do with the farmer or processor. Turns out the answer is: Not very often. So while urging farmers and processors to redouble food safety efforts, the lesson of the study is that cooks at restaurants, institutions and at home need to be more vigilant.

Such a prosaic message is probably correct but uninspiring to those looking to transform society. So don't look for the mass media to pay much attention.

pb

The emotional power of the argument for food safety makes the industry something of a "mark" for those interested in promoting a particular ideology.



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As South African Grapefruit Enters The U.S. Market, Who Will Step In To Build Year-Round Demand?

From Jim Prevor's Perishable Pundit
February 19, 2010



Andrew Southwood used to be the vice president of business development at Fisher Capespan and then founded freshXpressions, an organization that bills itself as providing "Management Solutions for Growth," a sort of outsourced management concept to help companies with stretched management teams.

Now he sends word that a new player is entering the U.S. grapefruit market:

FISHER CAPESAN EXCITED THAT SOUTH AFRICAN GRAPEFRUIT IS PERMITTED U.S. MARKET ACCESS

On the 3rd of February, 2010, the Animal Plant and Health Inspection Service (USDA department) announced that it had approved 16 new magisterial districts in three South African provinces as "black spot free." With this status, citrus produced in these areas is now permitted access to the USA, provided all protocols are correctly followed.

The new areas, located in the Northern Cape, Orange Free State and North West Province, are set to become good supply sources particularly for Star Ruby grapefruit, which does extremely well in the dry, desert-like growing conditions. The quality of Star Ruby produced in the Northwest is well known, with the fruit showing excellent internal red color, high Brix values and a thin skin. Add to this fruit that regularly falls into the size 30-36 count range, and it is not difficult to see why Fisher Capespan is excited at the prospect of adding South African grapefruit to its Southern Hemisphere citrus offering.

According to Marc Solomon (president of Fisher Capespan), volumes likely to be shipped to the USA this year will be moderate. The reasons for this are that many of the grapefruit orchards are still young and not in full production, plus growers in these regions do not have experience with the protocols required. "As the orchards mature and experience is gained in producing fruit for the USA, volumes could rise to over 500,000 cases (15kg) in the next five years," he said.

South African grapefruit will be available in the U.S. from the end of May through to the end of July, at a time when domestically produced grapefruit is usually available in limited volumes. The first few arrivals are expected on containers, and once the conventional vessels start arriving in mid-June, will accompany the rest of the South African citrus offering.

For retailers, particularly on the East coast of the U.S., this development is good news. With the growing strength of the summer citrus category, the addition of a high quality red grapefruit will further boost summer citrus profits!

Although South African Navels and Clementines have been on the

market, this is the first entry for South African grapefruit. To be able to export to the United States, South African citrus-producing regions have to be certified as "black-spot free," and earlier surveys found that the traditional growing areas in the Eastern part of South Africa were not black-spot free. This Northwestern region comprising Northern Cape, Orange Free State and North West Province is far from those traditional growing regions.

The grapefruit industry has suffered in recent years. A fruit traditionally eaten at breakfast, it has not caught on with a younger generation that doesn't sit down to eat breakfast. Then, as a double whammy, concern over drug interaction led to a decline in consumption among the older clientele, who were the core demographic.

We have no doubt the fruit will do well initially. There is limited availability during the South African market window, and the South African volume will be moderate. Perhaps, however, the prospect of year-round supply could start to lead to reforms that might lead to a resurgence of demand.

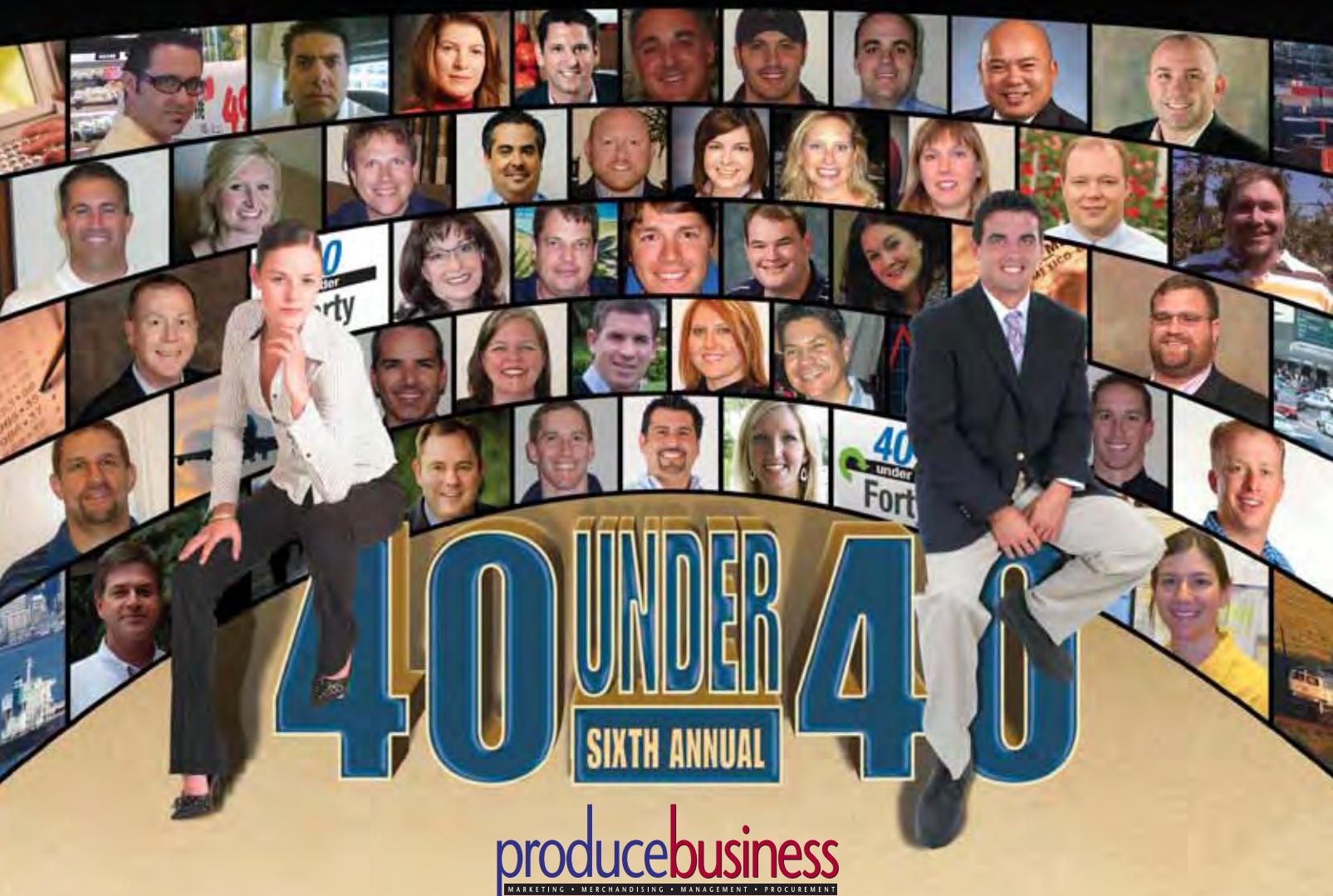
There is no national grapefruit marketing effort, and one wonders if one couldn't be set up along the lines of the watermelon and mango boards, where product from many states and countries are all included.

Perhaps also there could be an outreach to McDonald's. Today's grapefruit varieties are delicious and require no sweetener — not like Grandma's grapefruit, covered with sugar or honey — and McDonald's has the youth audience and has shown a desire to at least offer healthful options. Why couldn't every McDonald's breakfast meal offering come with a choice of the deep-fried hash browns it currently offers or a lightly grilled half-grapefruit? It is not

as portable as a car-oriented culture might like, but an axiom of nutritionists is that one should pay attention to one's food — not eat and read or eat and drive. This is in sync with the cultural trend to treat one's food seriously. Perhaps McDonald's will want to stake a claim in this space.

How about it McDonald's? A pilot program in one city? You could offer a healthful option and, quite possibly, reinvigorate a whole industry. That is The Road to Sustainability on steroids, and think about the video: Grateful farmers in Florida saying you saved the business, grateful farmers in South Africa saying you created new markets to help a teeming country provide jobs and promote exports. If anyone in Oak Brook can share the dream, e-mail us here and we'll get you in touch with everyone you need to make it happen.

Why couldn't every McDonald's breakfast meal offering come with a choice of the deep-fried hash browns it currently offers or a lightly grilled half-grapefruit?



40 UNDER 40

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PRODUCE BUSINESS is accepting nominations for its Sixth Annual 40 Under Forty Project, which recognizes the produce industry's top young leaders.

Honorees will be selected based on their professional accomplishments, demonstrated leadership and industry/community contributions. To be eligible, nominees must be under the age of 40 as of January 1 (People born after January 1, 1970).

To nominate someone, please go to www.producebusiness.com and click on the 40 under Forty icon, or fill out this form by March 1, 2010, and fax back to 561-994-1610.

Once nominated, the candidate will receive forms from us to fill out asking for detailed information. A candidate only needs to be nominated one time. Multiple nominations will have no bearing on selection.

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Nominator information is for our use only and will not be shared with candidate or have a bearing on selection.

For more information email: info@producebusiness.com

BY DAN WITTERS, RESEARCH DIRECTOR, GALLUP-HEALTHWAYS WELL-BEING INDEX

Healthy Eating in America: A Work In Progress

As many Americans set an eye on more healthful eating in 2010, Gallup-Healthways Well-Being Index data reveals mixed results on two key metrics in 2009 compared with 2008. While the percentage of Americans saying they ate healthfully all day yesterday improved slightly in 2009 (to 66.4 percent from 65.9 percent in 2008), the percentage reporting eating five or more servings of fresh fruits and vegetables on at least four days in the previous week slipped to 55.6 percent in 2009, down slightly from the 56.4 percent measured the year before.

Gallup and Healthways asked at least 1,000 randomly selected Americans each day, 350 days a year, about their eating habits. Specifically, respondents are asked to report on whether they ate "healthy all day yesterday" and, out of the last seven days, how many days did they "have five or more servings of fruits and vegetables."

At the state level, a substantial range exists in the consumption of fruits and vegetables, with the best-eating states typically found in the West and Northeast, while the worst eating is measured among states found in the Great Plains. Vermont, followed by Wyoming, Maine, New Hampshire, and Hawaii are the only five states where at least 60 percent of residents have at least five servings at least four days each week. In contrast, the states with the poorest produce eating habits are led by Nebraska, with just 50.4 percent of residents exhibiting substantive produce consumption, followed by Oklahoma, North Dakota, Minnesota, South Dakota and Indiana.

Consumption of fresh fruits and vegetables also plays an important role in obesity reduc-

*Weekly Consumption of Fruits and Vegetables: The Best and the Worst in the U.S.
2009 Full-Year State-Level Results*

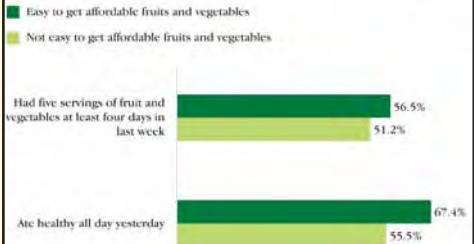
Top 10 States	At 5 servings fruits and veggies at least 4 days last week	Bottom 10 States	At 5 servings fruits and veggies at least 4 days last week
Vermont	65.2%	Nebraska	50.4%
Wyoming	61.6	Oklahoma	51.8
Maine	60.8	North Dakota	52.2
New Hampshire	60.3	Minnesota	52.7
Hawaii	60.2	South Dakota	52.8
Connecticut	59.8	Indiana	52.8
Oregon	59.4	Kansas	53.4
Florida	59.1	Louisiana	53.4
Nevada	59.1	Texas	53.4
Virginia	58.9	Arkansas	53.9

Charts courtesy of Gallup-Healthways Well-Being Index

tion. The 10 states with the greatest and most consistent diet of fruits and vegetables carry an average obesity rate of 24.6 percent, nearly two full percentage points lower than the national 2009 rate of 26.5 percent. The 10 states with the least robust produce diet, however, carry an average obesity rate of 28 percent. If the Bottom 10 worst-eating states had the same obesity rate as the Top 10 best-eating states, close to 1.8 million fewer people

are important for policy makers and consumers alike, as this marked elevation of access to affordable produce serves as an important vanguard to healthful eating habits. Americans who say they have easy access to affordable fruits and vegetables are more likely to report having eaten healthfully the day before and to have consumed at least five servings of fruits and vegetables at least

*Ease of Getting Affordable Fruits and Vegetables Has Substantial Influence
Healthy Eating Choices*



Average Obesity Among Residents of States with Best and Worst Produce Eating Habits



would be obese in those 10 states alone.

The good news for Americans seeking to improve their healthful eating habits is that the perceived affordability of fruits and vegetables is on the rise. In 11 out of 12 months of 2009, Americans were more likely than in 2008 to say that it is easy to get affordable fruits and vegetables in the city or area where they live, and for the entire year, 91.9 percent of respondents said this was the case, compared with 89.7 percent in 2008, a statistically significant increase. These improvements

four days per week than those who say they do not have easy access.

Given these results, the policy implications for leaders who care about wellness may be significant, as it appears that a substantial means of having an impact on Americans' healthful eating habits — and important corollaries, such as obesity — is likely within our society's grasp through enhanced portals of disseminating affordable, accessible produce to the American public.

Survey Methods: For the Gallup-Healthways Well-Being Index, Gallup is interviewing no fewer than 1,000 U.S. adults nationwide each day and at least 350,000 surveys in each calendar year, yielding results with a maximum expected error range of ± 0.2 percentage points. The margin of sampling error for most states is ± 1.2 percentage points, but is as high as ± 3.5 percentage points for smaller states such as Wyoming, North Dakota, South Dakota, and Hawaii. Interviews are conducted with respondents on landline telephones and cellular phones, in English and in Spanish. To learn more, please visit well-beingindex.com.

Gallup is a worldwide polling and consulting firm that has studied human nature and behavior for more than 70 years. Healthways is the leading provider of specialized, comprehensive solutions helping millions of people maintain or improve their health and well-being. Find them at www.gallup.com.

BY JIM PREVOR, EDITOR-IN-CHIEF, PRODUCE BUSINESS

Survey Limitations

It is well known that one problem with research is getting accurate numbers — numbers that represent real behavior rather than numbers that reflect what consumers think best to say. Yet perhaps even more challenging is drawing the right policy implications from a given set of facts.

In this article, we see highlighted an interesting result from the Gallup-Healthways survey: *“Americans who say they have easy access to affordable fruits and vegetables are more likely to report having eaten healthy the day before and to have consumed at least five servings of fruits and vegetables at least four days per week than those who say they do not have easy access.”*

It is easy to leap from that survey result to a policy recommendation that we could help the cause of healthy eating by increasing the availability of outlets that sell “affordable fruits and vegetables.”

Yet, though that policy choice is a possible deduction from the research, it is not the only possible one or even a particularly likely one. This is because a survey is different from a controlled test. If we took a large group of people who were selected to be representative of the American population based on race, ethnicity, religion, income, psychological attitudes, eating habits, etc., and then randomly assigned them to live in two different areas, one with easy access to affordable fresh produce and one without, we actually have no idea what would happen to their diets.

Perhaps those who currently eat lots of fresh produce would go out of their way to get it or switch to, say, frozen produce with little health impact. Or, perhaps the very presence of these consumers in the community would lead local retailers to carry more fresh produce, or the presence of a high produce-consumption demographic in the area would encourage everything from menu changes at local restaurants to new retail entrants in the market.

In other words, people to some extent self-select where they live, and a vegan who will only eat organic fresh produce is unlikely to move into an area where such items are diffi-

Survey research often tells us more about what people think is best to say than what they do, and typically provides too little information to create clear policy options.

cult to acquire. Those who don't care... well, they won't care.

Imagine a survey that asked people whether they had easy access to an Orthodox Jewish Synagogue in their neighborhood. We can predict that in neighborhoods with such access, there will be a much higher percentage of Orthodox Jews than in neighborhoods where there is no such access. To leap from that fact to a conclusion that if we merely open more Orthodox synagogues, many more people will become Orthodox Jews has the phenomenon backwards. The Orthodox Jews move to be near Orthodox synagogues — the presence of such houses of worship almost certainly does not lead to large numbers of conversions.

Another danger in reading survey research is to look at one variable and then confuse coincidence with causation. So, although when the Gallup-Healthways research team identifies an interesting correlation, even if it is music to the collective ears of the produce industry, we need to exercise caution. Here is the quote:

“Consumption of fresh fruits and vegetables also plays an important role in obesity reduction. The 10 states with the greatest and most consistent diet of fruits and vegetables carry an average obesity rate (defined as a body-mass index that is equal to or greater than 30) of 24.6 percent, nearly two full percentage points lower than the national 2009 rate of 26.5 percent. The 10 states with the least robust produce diet, however, carry an average obesity rate of 28 percent, over three points higher than what is found for the 10 best.”

We would like to believe that fresh pro-

duce consumption is the key here, but don't think the study proves this. To name just one alternative perspective, perhaps high produce consumption correlates with some unknown third variable, say high education or high income or an aggressive attitude toward health, and perhaps these characteristics lead both to high produce consumption and many other things: An aggressive exercise program, frequent check-ups, discipline in taking recommended medications and following doctor's orders, avoidance of saturated fats, etc. Perhaps it is one or several of these attributes that lead to lower obesity levels and, *sacré bleu*, if we didn't change any of these items and just persuaded people to eat more fresh produce, they might actually gain weight due to consuming more calories.

Finally, asking consumers questions about the number of servings they ate or if they ate healthy is inherently problematic, because we just have no idea what consumers mean by these terms and how their interpretations of these words have changed over time.

The Gallup-Healthways partnership does exceptional work. Both organizations are careful to include both cell phone and landlines; they use random-digit dialing and offer Spanish-speaking interviewers. They include Alaska and Hawaii and have a methodology that includes many callback attempts to reach respondents who were unavailable on the initial call. In many ways, they are the gold standard in telephone research of this type. The issue is that survey research is inherently limiting. It often tells us more about what people think is best to say than what they do, and typically provides too little information to create clear policy options.

L&M COMPANIES INC. RALEIGH, NC

Pat Hansen was hired as potato and onion sales and operations manager. He brings a wealth of expertise and experience pertaining to every aspect of the produce supply chain. He previously worked with Peri & Sons Farms. He has worked in sales, managed packing facilities and owned a transportation company.



Keith Horder was hired as director of business development, a newly created position at L&M's Washington business unit. He brings 40 years of industry experience and served in executive positions in all aspects of the industry for Safeway, Supervalu, Great Atlantic and Pacific Tea Company, Rainier and Turbana.



FRUIT PATCH DINUBA, CA

Sabrina Mak was appointed to the sales and marketing team. Her duties will include developing business and category management tools. For the past five years, she has served as the director of trade marketing and director of national programs for Ballantine Produce, where she developed retail programs that focused on demand and consumer needs.



SUMMERIPE WORLDWIDE INC. REEDLEY, CA

Mark Grijalva was hired as a national account representative for Mountain View Fruit Sales. He will represent the Summeripe brand and its programs. With 30 years of industry experience, he has held various management and training positions, including retail management and training, management of wholesale procurement and distribution of fresh produce to retailers.



NATIONAL POTATO COUNCIL WASHINGTON, D.C.

Roger Mix was elected as president. He previously served as the NPC's vice president of finance and office procedures. In 2007, he was named vice president of environmental affairs. Mix is a fourth generation potato grower with Mix Farms, a family-owned business based in Center, CO. His top legislative priorities over the next year include addressing food safety, sustainability and climate change.



NORTHERN PLAINS POTATO GROWERS ASSOCIATION EAST GRAND FORKS, MN

Gregg Halverson was elected chairman. He is currently the president and CEO of Black Gold Farms, Grand Forks, ND. His primary duty will be to foster positive industry growth in the Northern Plains. He has been involved in leadership positions on the NPPGA's Research Committee.



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Reader Service # 35

Produce Watch is a regular feature of PRODUCE BUSINESS. Please send information on new products, personnel changes, industry, corporate and personal milestones and available literature, along with a color photo, slide or transparency to: Managing Editor, PRODUCE BUSINESS, P.O. Box 810425, Boca Raton, FL 33481-0425, or e-mail us at info@producebusiness.com

RIVER RANCH FRESH FOODS LLC SALINAS, CA

Larry Narwold was hired as Eastern regional business manager. His duties will include working closely with customers, managing and growing the River Ranch retail and foodservice business throughout the region. With more than 35 years of industry experience, he previously worked for Tanimura & Antle, Green Giant Fresh and NationFresh.



Matt Lyons was promoted to sales manager. His duties will include managing a 9-person sales staff and overseeing day-to-day sales functions. He worked for River Ranch for 18 years in several positions, including agricultural operations coordinator, plant scheduler and regional procurement and logistics manager and broccoli sales commodity manager.



TRANSPARENT BARRIER FILM TECHNOLOGY

Rollprint Packaging Products Inc., Addison, IL, added ClearFoil X and ClearFoil Z to its transparent ClearFoil line. The clear, ultra-high barrier packaging options can now replace aluminum foil structures for demanding applications. The films can be used for moisture and oxygen-sensitive food applications, and also improve product visibility.



Reader Service No. 300

Juanita Machuca was promoted to salesperson. She has worked for River Ranch for five years as sales coordinator. Her new duties will include managing key retail private label and foodservice accounts and focusing on creating and supporting new business.



Michele Hawkins was hired as senior financial analysis manager. She brings several years of experience from Chiquita Brands/Fresh Express. She will work closely with the sales and marketing department to assist in managing and developing customer portfolios and identifying areas of opportunity. She will also manage several financial projects including customer profitability, SKU rationalization and plant cost efficiencies.



NEW PRODUCTS

FIVE FRESH HERB AND SPICE BLENDS

Gourmet Garden, Folsom, CA, introduces five fresh flavors of Gourmet Garden Fresh Blends. Mediterranean, Mexican, Moroccan, Thai and Steak flavors help families cook authentic, restaurant-quality meals in the kitchen or on the grill. The fresh herb and spice blends are packaged in 2.8-ounce tubes.



Reader Service No. 301

CONGRATULATIONS PHIL GRUSZKA!

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PRODUCE WATCH

ANNOUNCEMENTS

MUCCI PAC PRODUCES RUSTICO SWEET LONG PEPPERS

Mucci Pac, Kingsville, ON, Canada, is now offering Rustico sweet long peppers. Positive results on last year's trials translated to a full planting this year. Customer demand is already exceeding supply and the company's expectations. Sweeter than bell peppers, Rustico sweet long peppers have thicker walls and are popular for grilling, roasting or eating raw. They are currently available in 2- and 3-packs as well as a 5-lb. bulk pack.



Reader Service No. 302

MISSION PRODUCE OPENS RIPE CENTER

Mission Produce, Oxnard, CA, held the grand opening of its latest ripe center in Toronto, Ontario, Canada. It is Mission's first avocado ripening facility in Canada, but the eighth facility overall, adding to ripening plants already established in California, Colorado, Texas, New Jersey, Illinois, Georgia and Washington. The new facility increases Mission's continental distribution network where avocados are received, inventoried, ripened and delivered to customer distribution centers.



Reader Service No. 304

MONTEREY MUSHROOMS DONATES TO HAITI RELIEF

Monterey Mushrooms Inc., Watsonville, CA, donated \$53,040 to the American Red Cross for the Haiti Earthquake Relief Fund. Monterey employees contributed \$26,520 to the relief fund, and Shah Kazemi, president and CEO, donated a matching contribution of \$26,520.



Reader Service No. 306

DMTB NAMED BROKER OF THE YEAR

Des Moines Truck Brokers Inc., Norwalk, IA, celebrated its 40th anniversary and was recognized as the No. 1 truck broker in the nation. The National Association of Small Trucking Companies (NASTC) presented DMTB with the 2009 National Broker of the Year Award. Jimmy DeMatteis from DMTB was present to receive the award, which was based on highest credit worthiness, reputation and professional integrity.



Reader Service No. 303

SUNNYRIDGE OFFERS ORGANIC BLUEBERRIES

SunnyRidge Farm, Winter Haven, FL, has expanded into the organics market with its new organic blueberries. The company's organic blueberries will be sourced from company-owned and contract-grower farms beginning with Florida production in March and continuing through August. They will be harvested on 200 total acres. The company expects to ship 5 million pounds during the 2010 domestic season, most of which will be sold to grocery and club store retailers.



Reader Service No. 305

OCEAN MIST CREATES POS WEB PORTAL

Ocean Mist Farms, Watsonville, CA, is offering a variety of new POS material to help share artichoke information with consumers. The full set of materials includes posters, price cards, recipe cards and other collateral in various sizes, all of which is designed to draw attention to the category and increase sales. All of the material is available online at the company's Web site.



Reader Service No. 307

Growing Ideas ... Producing Excellence

Four Seasons Family of Companies congratulates our very own **Jason Hollinger** for the completion of the **United Fresh Produce Industry Leadership Program**.

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Reader Service # 13

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Reader Service # 23

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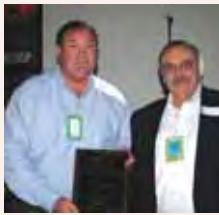
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VIDALIA CELEBRATES 20 YEARS OF PROTECTION
The Vidalia Onion Committee is celebrating 20 years of state and federal crop protection. In 1989, farmers united to enact a Federal Marketing Order (FMO) for Vidalias, established the VOC and extended the definition of a Vidalia onion. On February 6, 2010, these milestones were celebrated in Vidalia, GA. Terry Gerald (left), owner of Gerald's Vidalia Sweet Onions, Statesboro, GA, was recognized as 2009 Grower of the Year.



Reader Service No. 308

WONDERFUL PISTACHIOS PARTNERS WITH CYCLING TEAM

Wonderful Pistachios, Los Angeles, CA, announced its product sponsorship of the Adageo Energy Pro Cycling team for the 2010 racing season. The squad of 12 cyclists will compete in its first professional season, racing in nearly 30 domestic and international cycling events. Wonderful Pistachios will help cover team expenses and provide riders and fans with pistachios as a healthful snack.



Reader Service No. 310

MASTRONARDI MAKES TOP 50 COMPANIES LIST

Mastronardi Produce Ltd., Kingsville, ON, Canada, was named one of Canada's 50 Best Managed Companies for 2009, an awards program that recognizes Canadian companies that have implemented world-class business practices and created value in innovative ways. The selection committee applauded Mastronardi for its innovation, strategic direction, corporate culture and industry-leading initiatives, including The Green Grass Project, which highlights the elements in the company's business process that are environmentally friendly.



Reader Service No. 312

DEL MONTE'S FRESH VENDING LINE EXPANDS

Del Monte Fresh Produce Co., Coral Gables, FL, is offering its fresh fruit and vegetable vending line in many university and school vending machines nationwide. The University of Miami has already installed the new line, which includes products specially packaged to ensure freshness in 4- to 6-oz. sizes. Pictured are UM vice-president of HR, Nerissa E. Morris, president, Donna Shalala, and Sebastian celebrating Del Monte's new machine.



Reader Service No. 309

WALTER P. RAWLS ACQUIRES SWEET CORN PRODUCER

Walter P. Rawl & Sons Inc., Pelion, SC, acquired a majority ownership stake in Mississippi Sweet Corn Producers Inc., (MSCO), Indianola, MS, more than doubling its current sweet corn volume. The original stakeholders, all growers and landholders of MSCP will remain actively involved in the business, continuing to grow sweet corn and expand into year-round vegetable crops, including leafy greens, cilantro and green onions. WP Rawl will begin marketing sweet corn from Indianola beginning in June with the new crop.

Reader Service No. 311



HY-VEE DONATES PROCEEDS FROM SUN WORLD GRAPES

Hy-Vee Inc., West Des Moines, IA, donated \$5,000 in proceeds from Sun World International's Scarlett Seedless brand grapes to the Juvenile Diabetes Research Foundation. The donation was made possible by a prize drawing held by Sun World at this past year's PMA Fresh Summit. The donation will assist the foundation in finding a cure for Type 1 diabetes.



Reader Service No. 313

Sambrailo introduces the clamshell engineered for speed

RunRite®

High Speed Packaging

See it at
United Fresh
Booth
#1629

CPMA BOOTH REVIEW

BOOTH #523

ATLAS PRODUCE & DISTRIBUTION INC. Bakersfield, CA

Atlas Produce & Distribution Inc. is the grower and shipper of the popular Caramel Natural Medjool Dates, Date Coconut Rolls, Date Almond Rolls and Jumbo Dried Grapes. Visit our booth to taste the amazing flavor of Caramel Natural!



BOOTH #615

DEL MONTE FRESH Coral Gables, FL

Fresh Del Monte offers retailers and foodservice operators an array of innovative solutions to address the changing tastes and lifestyle needs of today's consumers. Our extensive distribution network allows just-in-time deliveries of our premium-quality, fresh products to your doorstep.



BOOTH #1000

THE OPPENHEIMER GROUP Coquitlam, B.C., Canada

With a vertically integrated base of growers from more than 25 countries, The Oppenheimer Group is a valued supplier to retailers, wholesalers and foodservice customers. We deliver year-round volumes of preferred items, as well as custom packaging, category management, quality assurance, e-commerce and transportation solutions.



RAINIER FRUIT CO. Selah, WA

Rainier Fruit Co. is dedicated to farming using principles of good stewardship. Our primary responsibility is to grow the finest quality apples, pears, cherries and blueberries using the natural resources entrusted to us, without compromising the ability of future generations to do the same. Stop by our booth to discuss our 2010 blueberry and cherry programs.



BOOTH #815

WELL-PICT INC. Watsonville, CA

From our conventional, premium strawberries, raspberries and blackberries to our popular organic line, Well-Pict's quality is known worldwide. Offering a variety of packaging options, our berries are specially picked and shipped within hours of harvest. With year-round availability, our finely tuned export programs ensure the berries arrive as perfect as possible, every time.



BOOTH #708

CALIFORNIA STRAWBERRY COMMISSION Watsonville, CA

California produces 88 percent of U.S.-grown fresh strawberries, worth more than \$2.1 billion. Strawberries rank fourth among fruit categories in the produce department. Nutritious and available year-round, California strawberries are the super-fruit for every day.



BOOTH #1012

DOMEX SUPERFRESH GROWERS LLC Yakima, WA

Domex Superfresh Growers is an international fruit marketing firm. We grow and market conventional and organically grown domestic and imported apples, pears, cherries, peaches and apricots worldwide.



BOOTH #913

PEAR BUREAU NORTHWEST Milwaukie, OR

Become a fresh pear pro! Learn about the many varieties of pears and engage in new merchandising opportunities. Discover why USA Pears are a fresh choice for produce departments throughout the year.



BOOTH #268

SAN MIGUEL PRODUCE INC. Oxnard, CA

San Miguel Produce has been farming the Oxnard plain for three generations and specializes in cooking greens. Our line of products includes: Cut 'n Clean Conventional and Organic greens, Jade Asian greens and Bunch greens. Come see the two newest additions to the Organic line, Rainbow Chard and Hearty Greens at our booth.



BOOTH #268

YUCATAN FOODS Los Angeles, CA

Yucatan Foods proudly presents Cabo Fresh, a lifestyle produce brand. Items include: Authentic and Mild-Organic Guacamole, Mild and Medium Salsa, Bruschetta and the new Avo-Hummus, 50 percent avocado blended with 50 percent hummus.



BOOTH #406

CALIFORNIA TOMATO FARMERS Fresno, CA

Embracing green and sustainable farming practices for more than 20 years, combined with more stringent harvesting, packing and shipping standards than traditional USDA guidelines, California Tomato Farmers members have the only mandatory food safety program that employs governmental oversight.



BOOTH #1013

COLUMBIA MARKETING INTERNATIONAL CORP. Wenatchee, WA

As one of Washington State's largest apple, pear and cherry grower/shippers, CMI strives to deliver the finest products through improved growing, harvesting and shipping procedures. You can count on CMI for exceptional service and selection of conventional and organic apples, pears and cherries.



BOOTH #1508

GOURMET GARDENS INC. Folsom, PA

Gourmet Garden's core line of 10 convenient squeezable tube herbs and spices are distributed worldwide. Gourmet Garden's cold-capture technology and blend of natural ingredients preserve the full flavor, color and aroma of the herbs and spices. Stop by our booth to see the latest range of Gourmet Garden Fresh Blends Mediterranean, Mexican, Moroccan, Thai and Steak.

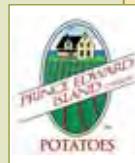


BOOTH #1708

PRINCE EDWARD ISLAND POTATO BOARD

Charlottetown, PEI, Canada

The Island's rich, sandy soil, clean air and water and its long, cold winters, combined with the latest growing, storing and shipping techniques have given growers the ability to deliver excellent quality potatoes.



BOOTH #1709

PRODUCE BUSINESS Boca Raton, FL

Initiating industry improvement since 1985, PRODUCE BUSINESS is the most widely distributed publication in the industry. Exclusively edited for buyers, it provides a monthly dialogue of marketing, merchandising, management and procurement information that helps buyers accomplish the industry's 9-to-13-A-Day goal.



BOOTH #306

SEALD-SWEET Vero Beach, FL

Seald-Sweet proudly celebrates over a century of service to the produce industry, growing and shipping fresh citrus, grapes, pears and more from the finest growing regions in Florida, California and around the world.



BOOTH #313

TANIMURA & ANTLE INC. Salinas, CA

The Tanimura & Antle families have been growing premium, fresh produce for more than 25 years. Based in California's Salinas Valley, this family owned and operated business focuses on quality, freshness and innovation to deliver a full-line of fresh vegetables across North America, Europe and Asia.



UNITED FRESH BOOTH REVIEW

BOOTH #620

AIRDEX INTERNATIONAL INC. Henderson, NV

Patented Airdex pallets weight only seven to 10 pounds, carry 3,500 pounds and eliminate pallet-related CO2 emissions. Our pallets are sanitary, shock-absorbing, thermal insulating, repairable, recyclable, ISPM-15-compliant and free after a single air-freight journey!



BOOTH #1242

COLORFUL HARVEST LLC Salinas, CA

Colorful Harvest grows premium fresh berries and heirloom-style produce including strawberries, bushberries, melons, Rainbow Crunch Carrots, orange, purple and green cauliflower, sweet red corn, violet broccoli and seasonal green beans.



BOOTH #1351

HOLLANDIA PRODUCE/ LIVE GOURMET Carpinteria, CA

Experience the difference freshness can make with Live Gourmet brand living lettuces, cress and arugula by Hollandia Produce. Nurtured in a greenhouse and harvested with their roots intact, Live Gourmet products stay fresher longer and provide your customers with a repeatable experience package after package.



BOOTH #1239

POTANDON PRODUCE Idaho Falls, ID

Potandon is happy to announce the addition of Whole Baby Potatoes in Sauce, a refrigerated steam product available in the produce refrigerated section, along with the Klondike Express, a shelf-stable, fresh microwave potato product.



BOOTH #1328

SAN MIGUEL PRODUCE INC. Oxnard, CA

San Miguel Produce has been farming the Oxnard plain for three generations and specializes in cooking greens. Our line of products include: Cut 'n Clean conventional and organic greens, Jade Asian greens and bunch greens. Come see the two newest additions to the Organic line: Rainbow Chard and Hearty Greens.



BOOTH #1229

ALLIANCE RUBBER CO. Salinas, CA

Alliance retains a long-term commitment to produce growers and suppliers who were among our very first customers. Through the years, we have continued to adapt our products to best suit your needs.



BOOTH #1332

CRUNCH PAK Cashmere, WA

We produce more than over one billion slices of apples each year. Our apples are specially grown, selectively harvested and hand-sorted so you get the best sliced apple available. We set the standard on shelf-life, promotions, packaging and customer service.



BOOTH #1335

MISSION PRODUCE INC. Oxnard, CA

Mission Produce is a global packer, importer, processor and distributor of avocados and asparagus. Our ripening and distribution centers across the globe, enable just-in-time delivery to customers nationwide. New at Mission is our Mr. Avocado Fresh Guacamole product line. Also new is Mission's distributorship for Frontera Foods, featuring guacamole mixes created by Chef Rick Bayless for our fresh avocados.



BOOTH #1215

PRODUCE BUSINESS Boca Raton, FL

This marks the 25th anniversary of PRODUCE BUSINESS, the No. 1 publication reaching produce buyers around the world. Covering marketing, merchandising and procurement issues that affect sales of produce and floral items, PRODUCE BUSINESS, uniquely "initiates industry improvement" in each issue.



BOOTH #1457,1867

TRACEGAINS INC. Longmont, CO

TraceGains provides turnkey PTI compliance, labeling and traceability solutions for line- and field-packed fruits, vegetables and herbs. Our solutions also easily inter-operate with your accounting,

warehousing and
ERP applications.



BOOTH #1319

CALIFORNIA STRAWBERRY COMMISSION Watsonville, CA

California produces 88 percent of U.S.-grown fresh strawberries, worth more than \$2.1 billion. Strawberries rank fourth among fruit categories in the produce department. Nutritious and available year-round, California strawberries are the super-fruit for every day.



BOOTH #1042

DEL MONTE FRESH PRODUCE N.A. INC. Coral Gables, FL

Fresh Del Monte offers retailers and foodservice operators an array of innovative solutions to address the changing tastes and lifestyle needs of today's consumers. Our extensive distribution network allows just-in-time deliveries of our premium-quality, fresh products to your doorstep.



BOOTH #1039

NATURIFE FARMS LLC Naples, FL

Naturipe Farms is the right choice for fresh, premium berries. First in blueberry sales globally, we offer a full spectrum of varieties including strawberries, blackberries, raspberries and cranberries. Naturipe Farms is the source for all varieties, all seasons, conventional and organic.



BOOTH #1217

PRODUCE PRO SOFTWARE Woodridge, IL

Produce Pro provides an integrated operations, accounting and ERP system. Our company meets the specialized operational and management reporting needs for companies that buy, process and sell perishable goods.



BOOTH #1047

VILLAGE FARMS Eatontown, NJ

Village Farms is the industry leader in North America of sustainably grown greenhouse produce, including vine-ripened tomatoes, bell peppers and cucumbers handpicked at the peak of flavor. Our products are available 365 days a year and we exceed customer expectations through an unparalleled commitment to quality, reliability and unsurpassed food safety standards.



BOOTH #1240

CAVENDISH PRODUCE Charlottetown, PEI, Canada

Cavendish Produce is the fresh potato specialist offering an assortment of value-added and mainstream potato products. We are your one-stop supplier of top-quality potatoes.



BOOTH #1346

DULCINEA FARMS Ladera Ranch, CA

At the heart of Dulcinea Farms lays true passion, innovation and quality you won't find anywhere else. Our passion drives us everyday to provide the freshest produce and the taste consumers absolutely love. With passion comes dedication, guaranteeing that every bite of a Dulcinea product tastes simply amazing year-round.



BOOTH #1257

PAKSENSE Boise, ID

About the size of a sugar packet, Pak-Sense Ultra Labels are a new class of temperature recorder. They are available in both contact and wireless models and can be recycled.



BOOTH #1629

SAMBRAILO PACKAGING Watsonville, CA

Sambrailo Packaging is a third-generation, family-owned company that has served the produce and floral industries since 1923. With locations in California and Mexico, we have built our reputation on service and quality. Known for our design-to-distribution packaging innovations, Sambrailo does whatever is best for the produce.



BOOTH #1213

YUCATAN FOODS Los Angeles, CA

Yucatan Foods proudly presents Cabo Fresh, a lifestyle produce brand. Items include: Authentic and Mild-Organic Guacamole, Mild and Medium Salsa, Bruschetta and the new Avo-Hummus, 50 percent avocado blended with 50 percent hummus.





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Reader Service # 60

The Ins & Outs Of Foodservice Buying Contracts

Contracting the right items the right way will keep growers, shippers and buyers out of trouble and in the green.

BY CAROL BAREUTHER, RD

Near freezing temperatures in January caused an estimated 70 percent loss of Florida's tomato crop at a time when this southern state supplies two-thirds or more of domestic consumption. This left major foodservice chains like Burger King scrambling to satisfy customers' cravings for a slice of tomato atop their hamburgers. Similarly, FOBs for iceberg and romaine lettuce doubled during the early and mid-winter when rainstorms caused by El Niño drenched the 'winter salad bowl' regions of Southern California and Arizona. Restaurant chains, as a result, found themselves faced with a shortage of greens and profit margins on salad dishes that were heading into the red.

What can foodservice operators do to prevent these nightmare menu scenarios? No one can control Mother Nature, but many say putting contracts in place between supplier and buyer is the answer to guaranteed supply and consistent pricing. The key is to contract the right items in the right way.

Contracting On The Rise

Foodservice contracts for fresh produce are nothing new. Gina Nucci, director of foodservice marketing for Mann Packing Co. Inc., in Salinas, CA, confirms, "It has been around for many, many years."

Likewise, the way some foodservice operators have approached contracts hasn't changed over the years. Janet Erickson, executive vice president of purchasing, quality assurance and research and development for Del Taco Inc., a Lake Forest, CA-based QSR chain, says, "Some things we contract and some we don't. It all depends on the commodity."

Still, when you look industry-wide, contracting for fresh produce is on the rise in the foodservice industry. Rick Alcocer, senior vice president of fresh sales for Duda Farm Fresh Foods Inc., headquartered in Oviedo, FL, says, "As more variables that make up a final delivered price to a customer become volatile — for example freight and packaging — customers have looked into what components of the overall cost they



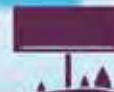


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Getting The Most Out Of Contracts

The major advantage of a contract is that it delivers a regular and consistent supply within agreed-upon pricing parameters. Whether the contract stipulates a fixed price or one that moves with the open market, the foodservice operator always knows the final FOB price.

"There are two basic types of contracts," says Brian Kane, vice president of client services for Pro*Act LLC, in Monterey, CA, "fixed price and high-low."

Gene Harris, senior purchasing manager for Denny's Inc., based in Spartanburg, SC, says, "Processed produce is typically a fixed or firm price versus bulk items, which tend to be more of a commodity."

"As for commodities, 52 week row crops, such as lettuces, are typically on a fixed-price contract," adds Kane.

"The decision to go with a fixed-price contract or one where the price fluctuates with the market all has to do with how much risk the operator is willing to take, explains Janet Erickson, executive vice president, quality assurance and research and development for Del Taco, a Lake Forest, CA-based Quick Service Restaurant (QSR) chain. "If an item is really significant to menu costing, then you want to be guaranteed a certain price. If it's a small, ancillary item, then you might be willing to take some price fluctuation. With fixed pricing, you give up the opportunity to get a low price when the market goes low, but you're protected when the market goes high."

Mikel Weber, director of purchasing for Golden Corral Corp., based in Raleigh, NC, prefers not to contract on a fixed point. "There's always a winner and a loser. Instead, we like high-low contracting that rides the market and delivers a fair price for both buyer and supplier."

Vegetables such as cucumbers, squash and tomatoes work best on high-low con-

tracts," says Kane. "That's because the market for this type of produce can bottom out and it can also jump quickly. For example, you can have 40 weeks of great prices and then 12 weeks of high prices and limited availability due to bad weather or the transition between growing areas."

High-low contracts work in this way. For example, suppose a commodity typically sells for an FOB between \$7 and \$12. Each week, the USDA Market Reports out of the region where the product is being shipped serve as a guide to what the foodservice operator pays. It might be \$8 one week, \$10 the next and \$9.50 after that. These prices are all within the contracted \$7 to \$12 range. Now, say the market for this item goes up to \$15. The operator will pay \$12 because this is the contracted cap. Many high-low contracts also have escalator clauses with what's called 'triggers.' In this example, say the trigger is \$18. The contract may call for the foodservice operator to go up \$1 in price once the trigger point is reached. In this example, that price would be \$13. Escalator clauses often provide a ceiling; say \$25 in this example. That means the foodservice operator will go up in price dollar for dollar to a high of \$25 and then no further even if the market goes to \$40 or \$50.

Maurice Totty, director of procurement for Foodbuy LLC./The Compass Group, Charlotte, NC, who also likes to negotiate high-low contracts on some produce items, admits, "This doesn't dramatically affect our food costs since it's a small range. Yet, it gives the grower some relief. The lowest price isn't always the best if it's going to critically damage your supplier's business."

In reality, Weber notes, "It's good to have a mix of contracts — fixed, high-low and high-low with an escalator. This allows foodservice operators to meet their strategic goals."

pb

can stabilize; thus contracting has become more popular."

Why Contract?

"As a farmer," says Nucci, "it's important for us to know — if we invest in planting and cultivating our crops — that they have a home when they are ready to harvest. It's good economics and sustainability. On the other hand, the advantage of a contract for a foodservice operator is knowing where your produce is coming from, for food safety reasons as well as menu planning and known food costs."

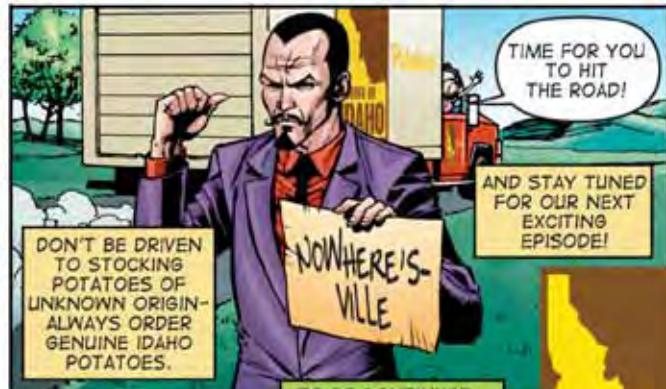
Gene Harris, senior purchasing manager for Denny's Inc., based in Spartanburg, SC, agrees and adds, "Contracts establish an agreement between the parties and assures the buyer of having a steady supply and the seller of having a committed customer."

The key to effective contract pricing is consistency, says Maurice Totty, director of procurement for Foodbuy LLC./The Compass Group, in Charlotte, NC. "Foodservice operators base their menu pricing on projected food costs and it's advantageous when those costs are consistent from week to week. The

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negative impact of skyrocketing food costs can be severe. Unlike retail, foodservice operators can't jack the price and shrink the display. The only two options are to lose profit margin or take something off the menu, which isn't good business."

On the supplier side, Alcocer explains, "Contract pricing allows us to make consistent but smaller positive margin. The volume tied to the contract allows the shipper to plan collectively with customers for consistent business, which makes the entire supply chain more efficient and lessens the gluts or over-

"Virtually all row crops, such as lettuce and broccoli that come out of California, are contracted. There's essentially one supply region year-round and this lends itself to contracting."

— Richard Dachman
Sysco Corp.



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supplies in the marketplace."

Tim York, president of the Markon Cooperative Inc., in Salinas, CA, points out a disadvantage, "When a foodservice operator is locked into a certain contracted price, you can wind up paying more in a low market."

Harris adds, "Occasionally, there may be better deals out there for short periods of time and the buyer is tempted to stray away from the contract."

"Another disadvantage is that when a foodservice operator contracts with one company, you can't necessarily count on the others you don't have a contract with if there's a problem," asserts Mikel Weber, director of purchasing for the Golden Corral Corp., based in Raleigh, NC.

What To Contract

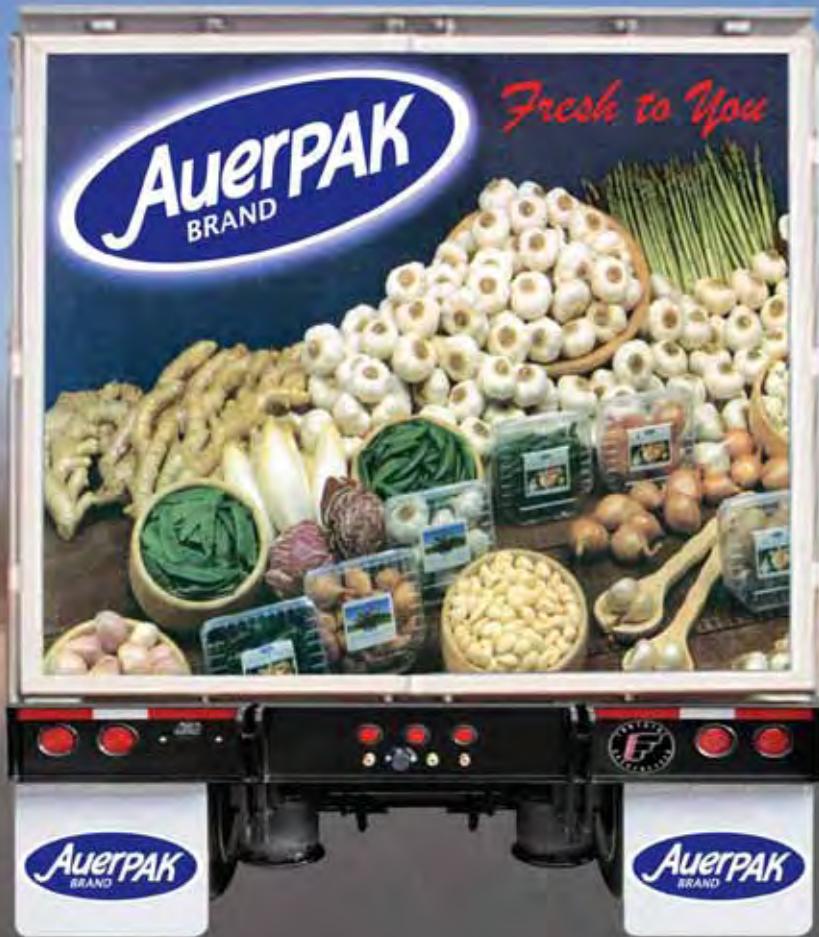
Del Taco contracts fresh-cut produce, "as these items are not as dependent on the weather and suppliers of these items are more amendable to contracts," explains Erickson.

"Contracts for value-added produce have been in play a long time and we've seen more of this as the category has grown," says York.

Mike O'Leary, vice president of sales and marketing for the fresh-cut division at Boskovich Farms Inc., in Oxnard, CA, reports, "Anywhere from 65 to 70 percent of our value-added produce, such as iceberg, romaine and coleslaw, is contracted." In addition to these high volume items, O'Leary adds, "In the past five years, foodservice operators have sought to contract lower volume value-added items as well, such as green onions and cilantro. What's driving this is food safety and the need to know where the product is coming from."

On the commodity front, Richard Dachman, vice president of produce for Sysco Corp., based in Houston, TX, knows, "Virtually all row crops, such as lettuce and broccoli that come out of California, are contracted.

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There's essentially one supply region year-round and this lends itself to contracting."

Brian Kane, vice president of client services for Pro*Act LLC, in Monterey, CA, explains, "We focus on contracting the top 80 percent of dollars sold or the fruits and vegetables that represent the top 20 percent of produce sales. If operators are buying 20 trailers of iceberg lettuce every week, it's easy to contract. However, If you're buying a 1/2-box of green peppers a week, then it will be difficult to contract."

Not all fresh fruits and vegetables should be contracted, believes Dachman. "For example, soft vegetables such as peppers, squash, zucchini and tomatoes come out of many different growing areas and can be harder to contract."

"Ingredients in menu items that are limited-time offers are less of an issue for contracting than ingredients for permanent menu items," notes Del Taco's Erickson.

As a distributor, Markon's York details, "Part of our job is to communicate to foodservice buyers what items to contract and what items to buy on the open market. Last year, for example, we suggested not to contract for potatoes. We gave this advice based on knowledge that there was good supply and prices were not likely to escalate."

Locally grown produce was ranked as the No. 1 menu trend of 2010 by more than 1,800 American Culinary Federation-member chefs who participated in the Washington, DC-based National Restaurant Association (NRA)'s 2010 "What's Hot, What's Not" sur-

vey. However, Kane maintains, "Locally grown fruits and vegetables are not good contract items. This is due to the length of the growing cycle, especially in areas limited by cold weather, and the fact that these items usually command a premium."

Mother Nature And The 'Force Majeure' Clause

There are no clear-cut ways to beat Mother Nature, says Duda's Alcocer. "As a grower/shipper, all we can do is plant the crop we intend to sell through our sales planning process and hope that everything else falls in line. It is very rare that we cannot cover our contracts, because even a fairly decent sized deviation in harvested volume will not affect us from providing product to fill

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a moderately sized contract program."

In the possibility that a supplier does have a significant crop failure, most contracts contain a Force Majeure or Act of God clause that outlines a course of action. Randy Benko, foodservice business development sales manager for Driscoll's, based in Watsonville, CA, says, "Act of God clauses are there for a reason. The nature of fresh produce is that there are circumstances that can't be controlled, but that's where communication comes in. You always want to communicate growing conditions to your contract partner so they can make informed decisions, such as ordering more heavily on the front end or temporarily taking an item off the menu."

On the grower/shipper side, Alcocer notes, "When an Act of God occurs, contracts

"Different companies handle an Act of God occurrence in different ways. With our vendors, it means 'not available at any price.' If the product is available, but the supplier sells it someplace else for more money, then that's an Act of Greed and we no longer do business with that supplier."

— Mikel Weber
Golden Corral

are covered to as close as 100 percent as possible and all other open or market business is pro-rated 100 percent. If there is not

enough product to cover even the contracted volume, then those contracted volumes are pro-rated until it is possible to cover them

ORGANIC PRODUCE SHOWCASE

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Reader Service #29

100 percent. Contracts are always covered first, then regular non-contracted business."

This situation occurred at the end of last year when romaine and romaine hearts experienced some quality and yield pressures that cut available volume drastically and forced the FOB markets well over \$30, points out Alcocer. "Abnormal growing conditions by Mother Nature brought about diseases, and abnormally cool temperatures slowed the already poor yielding crop to a virtual standstill."

"When entering into a contract, you need to know your supplier's capabilities and connections," says Denny's Harris. "Are they able to supply you with product from other growing regions or even their competitors, if necessary, to get through a gap in supply? The buyer has to prioritize three components of the equation: supply, quality and price, and relay that to their supplier. In an Act of God

situation, at least one of those components, if not all, will suffer."

Denny's ran into this situation a few years ago when several hurricanes substantially reduced Florida's tomato crop. "Numerous restaurants, both chain and independent, took tomatoes off of their menu for several weeks," says Harris. "Our CEO said that we would continue to serve tomatoes to our guests as long as they were available. Our priority was supply, quality and price, in that order."

Some operators seek to keep supply coming with their specifications. Del Taco's Erickson says, "We put some flexibility into our specs. If there is a problem with one product, we'll go with the alternative." This situation occurred this winter when the chain switched from round field tomatoes to Roma tomatoes, while the former were in short supply.

Dachman notes, "Flexibility in size and grade also allowed Sysco to provide smaller-sized lemons to one of its foodservice customers when the FOB price for 165-size fruit went to \$40 and \$50."

Similarly, Michael Boggia, president and general manager of Boggia Produce Inc., located in Salinas, CA, says, "This winter, we had to substitute romaine for romaine hearts in some accounts. We ended up not charging the full price because of this. There's always room for negotiation in a contract."

In the end, says Golden Corral's Weber, "Different companies handle an Act of God occurrence in different ways. With our vendors, it means 'not available at any price.' If the product is available, but the supplier sells it someplace else for more money, then that's an Act of Greed and we no longer do business with that supplier."

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Reader Service # 8

Processed Guacamole Emerges As A Growth Opportunity For Retailers

Thanks to high-pressure packaging, prepared guacamole tastes better and lasts longer.

BY BRYANT WINES

Mention the word “guacamole” and most people will think of whipping up a tasty batch of their own time-tested and party-approved recipe featuring avocado, tomato, lime, cilantro and other fresh ingredients.

But to a handful of companies, most U.S. retailers and a growing number of consumers, there's another option that is gaining popularity: Prepared, packaged guacamole.

Up until just a few years ago, if customers wanted guacamole, they had no choice but to make it themselves. There were a few processed products selling in the dairy case that claimed to be guacamole — and contained small amounts of avocado. But they had very little in common with the prepared guacamole that consumers can pick up in the refrigerated cases of the produce department nowa-

days. “Today's prepared guacamole is a fresh product that provides a new option for customers,” says Tracey Altman, vice president of marketing for Fort Worth, TX-based Fresherized Foods, makers of the Wholly Guacamole brand.

Steve Martin, director of business development at Mission Produce Inc., headquartered in Oxnard, CA, agrees. “Guacamole consumers each think their recipe is the best. We don't assume our Mister Avocado prepared guacamole will replace fresh. We simply hope to surprise customers with a great-tasting product that's better than they expected.”

HIGH-PRESSURE PACKAGING

Perhaps the single biggest factor fueling growth of processed guacamole is high-pressure packaging, also known as cold pasteurization. The process enables manufacturers to use 100 percent fresh



Prepared guacamole is gaining popularity thanks to its convenience and a growing interest in Latino foods.



"It's a good item that is growing in sales and popularity. Here in the Midwest, the whole avocado business is a growth category."

— Mike O'Brien
Schnucks Markets Inc

product with no additives or preservatives. Interest in the high-pressure packaging method evolved with the restaurant/food-service industry goal of maintaining fresh product shelf-life with minimal labor involved. The next step was a natural transition to consumer-friendly packaging for retail in pouches or trays.

"Hi-pressure packaging means we can use nothing but fresh ingredients," explains Al Ahmer, vice president of processed sales and production for Calavo Prepared Foods Division, in Santa Paula, CA. "We give the customer a fresh product that is consistently good with excellent quality."

Today, there are several brands available on supermarket shelves offering a variety of styles, including mild, hot and single serve. The packaging technology used by each company gives the product a shelf-life of 30 to 60 days with no degradation in flavor.

"It's a good item that is growing in sales and popularity," says Mike O'Brien, vice president of produce and floral for St. Louis, MO-based Schnucks Markets Inc. "Here in the Midwest, the whole avocado business is a growth category." He reports that Schnucks sees prepared guacamole as an item that can provide incremental business — a compliment to fresh avocado sales.

DRIVING GUACAMOLE GROWTH

There are a few factors driving this growth across the country. Martin believes that the popularity of avocados in general is a contributing factor. "Interest in avocados as part of Latino foods and recipes continues to grow," he notes.

Ahmer agrees that America's interest in Hispanic foods has spurred trial and acceptance of prepared guacamole. "Many consumers' first experience with guacamole has come from restaurants," he asserts. "We're able to move those customers into a prepared product as the next step. They might be unsure of exactly how to make their own guacamole, but with our product they can



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Other factors driving growth appear to be consumer interest in avocado as a healthful food and the continued interest by both retailers and consumers in "value-added products."

simply open the package and enjoy!"

Other factors driving growth appear to be consumer interest in avocado as a healthful food and the continued interest by both retailers and consumers in "value-added" products. "Avocado is a nutritional hero," says Jennifer Shea, Supervalu corporate dietitian at Shaw's, ACME, Farm Fresh and SFW stores. Avocados provide 20 essential nutrients, including folate, vitamin E, fiber and potassium. Avocados are rich in monounsaturated fat, which may help lower LDL (bad) cholesterol levels when used in place of saturated and trans fats. "We'd encourage shoppers to enjoy avocado in homemade or prepared gua-

camole as a heart-smart alternative to dips with a mayonnaise, cream cheese, butter or sour cream base."

VARIOUS DEMOGRAPHICS TARGETED

The industry appears to have identified three different consumer groups as target customers. "The 'convenience' customer is the most obvious target," says Fresherized Foods' Altman. These would be consumers who already enjoy guacamole, but want the convenience that comes by simply opening a package. She also identified two other segments that offer potential: The Novice and the Die-Hard. "Novices are

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Guacamole experts suggest tying in merchandising efforts to holidays, both the expected, such as Cinco de Mayo, and the unexpected, such as Breast Cancer Awareness Month.

new to guacamole. Maybe they tried it at a restaurant or a party and liked it, but think that making it on their own would be too hard or intimidating," she explains. Altman believes the most difficult consumer to capture is the Die-Hard guacamole lover — that consumer who is convinced that a prepared product will never be as good as their own, unique recipe.

Mission's Martin adds the Latino customer to the list. "Since that segment is

more inclined to prepare more of their food themselves, getting them to use prepared guacamole is a tough sell," he explains. "But the fact that we are using 100 percent fresh ingredients is a key benefit that Latino customers recognize and appreciate."

In any case, awareness and trial are keys to acceptance. "Making customers aware of the product and sampling the guacamole are keys to growing the business," says Altman.

Martin agrees, adding that one challenge is the packaging itself. "Prepared guacamole is in a relatively small package. It is slotted

in the refrigerated section, surrounded by dressings, juices and so on," he describes. He believes that product placement, special displays and signage to help customers locate the product can go a long way to building sales. "Retailers are on-board. They know it is good, that it has great flavor. Most carry at least one label. Even with shelf space limitations, this is a product that has potential," he adds.

Calavo's Ahmer notes that, as with other products, in-store demos and ad support make a difference. "As Hispanic foods continue to grow in popularity, every holiday

"Many consumers' first experience with guacamole has come from restaurants. We're able to move those customers into a prepared product as the next step. They might be unsure of exactly how to make their own guacamole, but with our product they can simply open the package and enjoy!"

— Al Ahmer
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presents a good time to promote prepared guacamole." Natural occasions are Cinco De Mayo and Mexican Independence Day in September. But guacamole appears to be making the menu at many other holidays and events, including Super Bowl parties.

A PRODUCT ALIGNED FOR GROWTH

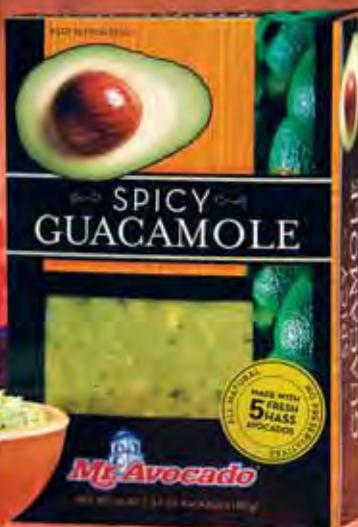
ACNielsen estimates prepared guacamole sales at \$200 million annually, with retail and foodservice splitting that 50/50. Retail growth appears to be running 5 percent per year. Profit margins are comparable



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ACNielsen estimates prepared guacamole sales at \$200 million annually, with retail and foodservice splitting that 50/50. Retail growth appears to be running 5 percent per year.

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Reader Service #50

The Deal From Down Under

The big guys in the Down Under fruit deal plan for a profitable season.

BY MEREDITH AUERBACH

As spring rolls out through North America, growers and marketers in Australia and New Zealand are busy counting boxes, watching currency rates and revving up their marketing plans to successfully capitalize on American and Canadian markets.

For the 2010 season, these countries can still count on the message to retailers that their products are counter-seasonal, offering consumers fruit that is freshly harvested, but does not really compete with domestically grown crops. Consumers, even those buffeted by the recession and made more cautious in their purchases, have come to depend on year-round supplies of their favorite fruits and vegetables. The niche has been created, and this year, marketers believe, opportunity abounds.



Photo courtesy of DNE World Fruit Sales

As part of DNE's U.S. marketing campaign, growers toured major markets, sampling fruit for customers.

CITRUS FROM AUSTRALIA

DNE World Fruit Sales, located in Fort Pierce, FL, is the sole importer of Australian citrus to the United States. Mark Hanks, vice president of sales and marketing for North America, reports, "Mid-March is still a bit early for us to precisely predict the level of imports, but we do know the Navel will be down somewhat, about 200,000 cartons, to 1.2 million, due to high heat during the bloom period. The season starts in July and runs through mid-October.

"We regard Australian navels as a mature program," Hanks continues, "and it supplies what both consumers and retailers want: Large, bright fresh navels. California will be out and retailers want a continuous supply. Most of it will go to the West coast, although we would certainly be happy to ship east if a retailer requested it. Retailers can expect large, clean fruit. The yield is up and there are high pack-outs."

"We had a very successful marketing campaign in 2009," reports Stu Monaghan, DNE's national sales manager. "Growers from Australia toured major markets here, sampling fruit with store customers and providing personal contact. Obviously, we can't be local with Australian citrus, but we can make a locale come alive and share with people just how the fruit is grown and handled. It was very effective because initially, many shoppers assumed our growers were actually actors. We had a natural way to move from that conversation to information about the fruit."

The Australian crop is not limited to Navels. Specialties, including Mineolas, four varieties of Tangerines and a late-season, seedless Mandarin, called Aussie Sweet, were unaffected by the heat and a total supply of approximately 600,000 cases will flow to market from June through September. Small quantities of blood oranges from Australia are available in August.

Marketing plans are not yet fully developed, but DNE does plan to continue a tie-in with Ocean Spray juice for a second year. High-graphic, in-store bins offer bags of Navels with a \$3-off coupon when coordinated with an Ocean Spray purchase. Hanks remarks, "Kids love the kangaroo logo and adults have very positive associations with all things Australian."

ZESPRI Grower Leo Whittle
on his kiwifruit orchard in
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Photo courtesy of DNE World Fruit Sales

Initially, many shoppers thought DNE's growers were actors, but this opened conversations about the fruit.

APPLE, PEARS FROM NEW ZEALAND

"Apples from New Zealand mean North American consumers can have fresh crop apples all year long," points out David Nelley, director of the apple and pear category for Coquitlam, British Columbia-based The Oppenheimer Group. "We see this year as a great opportunity. In addition to being counter-seasonal, the Washington crop of Royal Gala is down about 8 percent and the shipping rates across the country from Washington are steady. Conditions in Chile following the earthquake also may limit California storage apples normally imported from that country."

Apple varieties from New Zealand largely mirror those grown domestically. Major varieties include Gala, Fuji, Granny Smith, Pacific Rose and Braeburn. The flow begins in April and continues into September. Enza, formally the New Zealand Apple & Pear Marketing Board, will ship 15 conventional apple and pear varieties and six organic apple varieties in 2010.

Tom Richardson, general manager of Wenatchee, WA-based Giumarra of Wenatchee, which is responsible for apple and pear programs, anticipates a total export apple crop from New Zealand of 14 million cartons and comments, "Where they all get shipped depends on many factors including sizing, market demand, currency exchanges and customer relationships. Most Galas, for example, that peak above 90 count size will be shipped to North America. Both the UK and Europe tend to buy small sizes."

Growers and retailers are excited about the growth of the proprietary apple varieties of Jazz and Envy. Nelley notes, "Retailers tend to reduce SKUs of apples during the summer so the varieties they offer and display must resonate with consumers. At the same time, summer conditions demand a sturdy apple that will hold up well on display. These two apples can meet those demands.

"Jazz this year will peak at size 90 or larger, and about 40 percent of the crop will ship to the Eastern half of the United States," details Nelley. "We'll be setting up demos in stores throughout the summer and at sporting events where we can engage consumers. We still regard this apple as being a recent introduction, even though it has been about five years. Our measure of growth is reflected by changes in market share and this variety has the fastest growing share."

"Envy," Nelley continues, "will be available from June through August in its second year of U.S. distribution. It still has small volume, about 6,000 boxes, shipped to the United States, but it is a true proprietary. Volume will increase as Enza licenses Washington growers to produce this variety, a cross of Gala and Braeburn that is fully red, with a sweet/tart flavor profile. Because of this, there is a high demand in Asia."

"Another new variety is an apple called Divine," reports Richardson, "arriving in North America for the first time. Our growers are active in new variety development and have exclusive rights to this variety. It's a bi-colored apple with a very interesting flavor profile that starts off tangy and finishes sweet."

Nelley also directs Oppenheimer's sales

and marketing program for pears. "One of our favorites is a Comice-type called Taylor's Gold available May through July," he describes. "It is firm, but it is shipped fully ripe and ready to eat; it's sweet and very juicy. We see the best crop coming in years, with size peaking between 60s and 70s. Bosc will be down slightly and Comice will fall into normal range."

THE ORIGINAL NEW ZEALANDER

Kiwifruit has now been coming into the United States from New Zealand for decades, five decades to be exact. The fruit is no longer considered an exotic, but rather a mainstay, if relatively minor, component of retail produce departments across the country. New Zealand and California production literally trade places with their respective six-month alternate seasons. Innovation has come through the expansion of kiwifruit SKUs, which now include organic, green, yellow or gold.

"We expect this year's green kiwifruit crop to be similar to last year, with good siz-

"We regard Australian Navel as a mature program and it supplies what both consumers and retailers want: Large, bright fresh Navel. California will be out and retailers want a continuous supply. Retailers can expect large, clean fruit. The yield is up and there are high pack-outs."

— Mark Hanks
DNE World Fruit Sales

ing and good world-wide demand. Italy's crop is low and the gold kiwifruit variety from New Zealand is down about 20 percent from last year, says, Richardson.

Karen Brux, general manager of Zespri North America, a branch of Zespri International Ltd., based in Mount Maunganui, New Zealand, approaches each New Zealand season with passion and a carefully honed marketing plan designed to convince U.S. consumers that kiwifruit is an essential part of a fresh, healthful diet. "We've tasked ourselves this year to create stronger connections between growers, retailers and consumers. We have a story to tell and a great product to sell," she proclaims. "Our biggest challenge continues to be retail placement and shelf space. Kiwifruit really isn't a tropical, and it is better placed with citrus and soft fruit. That is what it takes to move the category contribution higher," she adds.

Both green and gold kiwifruit present unique opportunities for retailers. Green is the primary variety, as it dominates volume and has a longer market window. Both varieties begin shipments to the United States in May with green kiwifruit running into November, while the gold is finished by the end of September. As volume of the gold increases it may have a

longer selling season.

Each color has its own fans. The gold is sweeter, with no tartness and is ready to eat when sold. Brux reports, "Gold kiwifruit is especially appealing to Asians, both in Asia and in niche markets around the United States. There is an excellent Korean market in Atlanta, as well as Chinese demand in Dallas and Houston. We have the ability to direct the limited volume of gold kiwifruit to where there is good demand. Over the next several years we expect volume to increase."

The marketing scheme is planned, but opportunistic at heart. "We work closely with retailers to implement demos and customize them to their needs," explains Brux. "Events where we can interact with consumers are important. We love to create contests and consumers seem to love them as well. Our newest venture is social media – learning how to develop it, measuring its effectiveness and keeping up with our consumers. Mommy bloggers have large networks and communicate extensively, so we encouraged them with a contest on healthful lunches for kids. We expect to expand with YouTube, Twitter and Facebook."

At retail, the basics of marketing continue with encouragement to sell more by weight or multi-piece package and to deliver

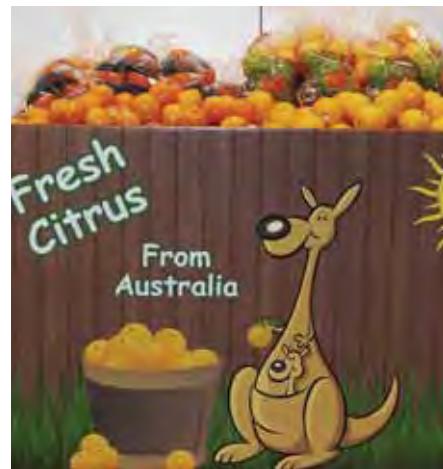


Photo courtesy of DNE World Fruit Sales

customized promotions that encourage sales, but don't compete head-on with bigger categories for consumer attention. Brux reports, "We try to do season-long programs that kick off strong at the beginning of the season and during the back-to-school period. Promotions are smaller in between those times. This plan has been effective for us. We compete directly with kiwifruit from Chile and we won't ever be the cheapest product. We emphasize value with our large, consistent fruit, leadership in standards and commitment to sustainability. In the end, it is the total package that wins loyalty." **pb**



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Plentiful Supplies Foreseen For Southern Fruits

The popularity of sweet Southern fruit continues to soar, while much of the crop rebounds from the freeze.

BY KEN HODGE

Florida strawberries have rebounded from the longest cold spell in recent memory, causing shortages and a spike in prices, but southern peaches, melons and other specialty berries are expected to be in good supply this year — barring any more malice from Mother Nature.

"It's been a very challenging year for strawberries," reports Keith Mixon, president of Sunnyside Farm Inc. of Winter Haven, FL. "Production has been down significantly throughout the year since December."

While berries were lost during nearly two weeks of severe cold weather in January, plants themselves survived for the most part. Mixon says they began bearing harvestable fruit again in March. "We typically go through April with strawberries," he explains. "We're hoping to make up for the loss of

production. We should go four or five weeks. The quality is great. The size is great. We're hoping for some happy customers."

Larry Scarborough, a sales associate with BBI Produce Inc., headquartered in Dover, FL, says Florida growers will finish their strawberry harvest soon after Easter. "Right now, we're in a new crop — a good crop," he says. "The strawberries look good. We'll have volume through March and demand is very good. The chains are starting to promote strawberries."

A BENEFIT FOR BLUEBERRIES

While freezing temperatures devastated strawberries, the cold weather actually benefited blueberries, according to Mixon. "The plants got the winter chill they needed," he points out. "They liked it. We're starting a great Spring and we expect to have some volume by week 13 (late March) and promotable volume by week 16 (mid to late April). We are about a week later than normal. We are expecting Florida to have a great crop this year, albeit a later one. We are very excited to start the domestic season off with fresh blueberries."

In Georgia, the blueberry crop is also looking good, as long as no additional damaging cold spells occur, remarks Joe Cornelius, owner of J&B Blueberry Farm Inc., located in Manor, GA, who is chairman of the Georgia Agricultural Commodity Commission for Blueberries. "We met our chill hours in blueberries several weeks ago and we've just been hanging onto this cool, damp pattern for the last few weeks," he continues. "That has slowed things down. We could still get walloped by the frost in the next three weeks, too."

Cornelius agrees retailers can expect Florida blueberries to become available in late March or early April. Georgia berries, usually available by the first week of May, could be a week late this year due to cool weather. "Southeast Georgia has one of the longest growing windows for blueberries," Cornelius adds. "We have berries through



While consumers may not recognize individual varieties of peaches, Southern peaches always generate excitement.



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July. This is all contingent on Mother Nature, but right now, the crop looks good and demand looks to be adequate. In Georgia, we can see our production going up in the next three or four years. There is more acreage in Georgia coming and we had 40 million pounds of production just last year, which was a record crop, and I think we're going to have another exceptionally good year."

Thanks to their flavor, nutritional benefits and the fact that they can be used with many foods in a variety of recipes, consumer demand for blueberries continues to grow. As a result, U.S. producers and those in Canada and South America are rising to the challenge. Volume in the United States and Canada has risen steadily, from about 90 million pounds in 1980 to about 332 million pounds in 2006 — 269 million in the United States and 63 million in Canada. More than half of all highbush blueberries are sold on the fresh market to keep pace with ever-increasing demand, according to the U.S. Highbush Blueberry Council, based in Folson, CA.

SWEET SOUTHERN BLACKBERRIES

J&B's Cornelius also raises blackberries, saying they are a smaller crop in the South, but a significant one, amounting to about 2 million trays per year from Georgia, North Carolina and Arkansas. "The season starts June 1 and goes until August," he reports. "This has been a great season as far as chill. We produce an excellent product in the South. Typically, the berries are super-sweet and we try to put them on the shelf when they really taste great. Part of our success comes from being here in the South with exceptionally warm nights, which helps increase the sugar content. In cooler climates with cooler nights, they are often more tart."

Part of the allure of berries from the Southern states is their freshness, believes Mixon of Sunnyridge Farm. "They get to the consumer quickly," he says. "I see demand growing for berries, even in this struggling economy. Consumption has really stayed strong. There is excitement about berries, especially when local berries are available. There is always an increase in demand just because it is Spring. Retailers are doing such a good job of merchandising and promoting our berries, the only thing I would say is, 'Think big with Southern berries, both blue and black,'" he adds. "Growers have responded to demand and we expect plenty of production."

PEACHES LOVE COLD, TOO

The same cold winter weather that



helped blackberries and blueberries reach their requirements for dormancy has also benefited famously sweet Southern peaches. "Obviously, we've had the best winter we've had in 20-plus years, with nearly 1,400 chilling hours," announces Chalmers Carr III, president and CEO of Titan Peach Farms Inc., based in Ridge Spring, SC. "Our bloom is delayed about seven to 10 days. That will correlate with a few days at the ripening end, but we shouldn't see any problems with having peaches for Memorial Day."

Duke Lane III of Lane Southern Orchards, Fort Valley, GA, where the company's roadside stand features everything peachy, including ice cream and preserves, agrees, "We're optimistic so far," he says. "We've had a lot of rain. There is plenty of water, and this year, we had the best chill I can remember. We are getting a lot of encouragement with new early varieties such as Flavor Rich and Carrot Red, mid-season varieties, Blazeprince and Scarletprince, and a later variety, Julyprince."

While individual peach varieties may not register with most consumers, Frank Funderburk, executive director of the Byron-based Georgia Peach Council, says they ripen at different times, providing a seamless supply of fresh Georgia peaches from May through August. "Consumers go by quality and flavor when they bite into a peach," he reasons. "We're able to provide pretty consistent quality. We don't really have any gaps in our season any more. We've filled them with varieties. We have a good, steady supply of fruit mid-May to early August."

Peaches — along with cantaloupes — are

the southern fruits that generate the greatest excitement among consumers, according to Mike Jardina, president of J.J. Jardina Co. Inc., a produce wholesaler on the Atlanta, GA Farmers' Market. "I believe Southern peaches have a mystique of their own. You just can't get the same freshness when shipping from California or from another country." He says because Southern fruit is available locally, location and ease of warehousing and delivering Southern fruits can sometimes result in picking, packing and delivering peaches and other fruits on the same day, enhancing their freshness even more."

Amy London, executive director of the Columbia-based South Carolina Peach Council, agrees, "Most consumers look for South Carolina peaches, not specific varieties. Our growers produce more than 40 different varieties, providing a consistent stream of volume from May to September. Some tried-and-true varieties are Monroe, O'Henry, Redglobe and Big Red."

"It may be difficult for retail chains to run promotional ads on varieties, as they are available no more than 10 days at a time," London counsels. "A better tactic may be to encourage store-level produce managers to display in-store information when sought-after varieties are available. Additional information about freezing and/or canning these varieties may also bring a sales lift, if they appeal to consumers' sense of nostalgia. Consumers should be told varieties are short-lived and there may be a different one next week. Promotions based on variety alone can be tricky. That's why promoting the characteristics of South Carolina peaches is more encouraged."

London says the South Carolina Peach Council has promotional funds that can be tailored to retailers' individual needs. Recipe brochures, retail guides and merchandising ideas are also available at no charge. She encourages chains to run specials with coupons to improve sales.

LOOKING FOR LOCAL

Members of the peach industry all agree, locally grown Southern peaches connote freshness and flavor to consumers and intensify demand for these delicious fruits. "The trend is toward locally grown produce," according to the Georgia Peach Council's Funderburk. "We're seeing that more each season. It's becoming more important for consumers to know farmers. They've heard of Georgia peaches and we're benefiting from that being passed on from generation to generation."

Peach producers in the South are predominantly family farmers, some in the third generation. That fact holds a certain

down-home charm for consumers who increasingly want to know the origin of the foods they eat. Some producers, like Chalmers Carr and his wife, have been able to purchase an established operation after managing it for several years. They have owned Titan Farms for 10 years.

"Capturing the local or regional trend is very important nowadays," Carr explains. "Consumers are in tune with environmental impacts and food miles. Taste is important, too. A high quality product that eats well is important. We truly believe Southern peaches are a great eating peach because of our climate and soils, similar in reputation to Vidalia onions."

Jardina of J.J. Jardina adds, "Consumers are always excited because everyone knows how good locally grown products are for our economy and our daily diets. Local items always seem to taste better."

"Consumers are interested in Georgia peaches," asserts Lane of Lane Southern Orchards. "I think the move by retailers to promote local produce is consumer-driven. We're not growing for retailers. We're growing for consumers. Retailers also understand consumers love local peaches."

London concurs, "There is excitement when South Carolina peaches come into harvest each year. People revere our peaches. The peach is our state fruit. It is celebrated all summer with festivals, parades, pageants, peach-offs, recipe contests and more."

CONSUMERS WANT CANTALOUPE AND WATERMELON

If flavor is important for Southern peaches, it's equally as seductive for Southern melons. The southern Athena variety of cantaloupe has taken consumers by storm since its introduction in 1995. A large, sweet variety, this melon is a favorite in the South, where it is the melon of choice in season. "Consumer demand for Southern cantaloupes has been very good the last couple of years," reveals Bill Brim, owner and president of Lewis Taylor Farms Inc., in Tifton, GA. "The flavor of all the Athena melons is so good, so sweet, consumers really like it. We start picking about May 25 and July 15-20 is the end of our season. We are not later than usual this year. We've seen tremendously wet conditions and have held off planting a bit because of the cold weather and rain."

In Florida, the season is about a week later than normal, according to salesman Scarborough of BBI Produce. "Athena is the only variety we ship," he explains. "It's been very good over the last six to eight years. The deal has grown and we've increased our acreage some-

what. They are grown here in the South and we appreciate the support that comes mainly from the Eastern retail chains."

Brim, who helped establish the Georgia Grown program, suggests promoting flavorful Southern cantaloupes at retail for best returns. "Putting them on ad certainly helps," he contends. "As we create consumer confidence, we'll get them to buy more melons because they are so good."

Southern watermelon crops will be a bit late this year, but consumers no longer need to be convinced to buy them, according to Gordon Hunt, director of marketing at the National Watermelon Promotion Board, located in Orlando, FL. The most important reason consumers cite for purchasing watermelon is "good taste," according to consumer research. We don't have to say, "Try watermelon. We think you'll like it," Hunt exclaims. "We have no negatives. It's a happy product. People hear 'watermelon' and they smile. It's rare someone doesn't like it."

Perhaps the most important element in any merchandising scheme for watermelon in today's economy is communicating the value of watermelon, Hunt explains. "It's still hard times for a lot of people," he continues. "Watermelon, per pound, is still the

cheapest thing in the produce department. We want to emphasize the value proposition. We suggest that retailers show it on a per-pound basis. Consumers will think, 'Oh that is a good value!'

Given their popularity, simply pointing the way to the watermelon display is enough to get consumers to buy, Hunt says. That's why the watermelon board is providing colorful bin wraps that can be used to brighten up individual bins or can be stretched full-length to attract consumers' attention. "This is something retailers have asked for," Hunt asserts. "We encourage them to build big displays with these wraps. We're continuing to offer POS material and signage as we have in the past but, instead of dropping off a stack of stuff, we send it electronically. It is cost effective and they can print it out."

Hunt also recommends emphasizing to produce department personnel the importance of displaying cut melons because it makes them more appetizing.

Jardina of J.J. Jardina concludes, "Watermelons and cantaloupes are a favorite for local stores, again because of the taste and marketability. We handle these items primarily in bulk bins, thus creating a great display tool and easy handling."

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Reader Service # 19

Eight Tips For Spring Grape Sales

Staying in communication with your suppliers and smart merchandising techniques will guarantee a sweet grape deal.

BY JODEAN ROBBINS

Though a brief and quick season, the spring grape deal presents tremendous potential for increasing grape sales and stimulating summer fruit enthusiasm.

"There is a distinct window of opportunity with spring grapes," says Jim Llano, sales manager for Castle Rock Vineyards, in Richgrove, CA. "Spring grapes are among the first of the Northern Hemisphere's produce items of the new season with volumes warranting retail promotion. They create the foundation of table grape demand for the season."

"Mexican spring grapes are a great source of profit for the produce department," states Tom Wilson, manager of Giumarra Grape Division for the Giumarra Companies, located in Los Angeles, CA. "They are in a unique time frame just before the start of summer while the weather is warm and the consumer is looking for summer-type fruit."

The sheer nature of the unpredictability of the spring grape season, normally early May through early July, lends to the excitement of the deal. Don Fazio, vice president at Fazio Marketing Inc., based in Fresno, CA, explains, "Timing depends greatly on conditions in the growing area of crops in Coachella but, given normal weather patterns in March and April, early shippers should start around

May 10th with Perlettes and Flames and most other growers around May 14th to May 17th."

By focusing on a few key areas, retailers can capitalize on this fast moving opportunity. "Promoting freshness, new crop season and a wide selection of varieties, in addition to eating quality, will distinguish the new spring crop," states Llano.

1. STAY POSTED OF CHANGES

Being aware of a few key changes affecting the deal is crucial to understanding the starting dynamic of the season. "Recent changes in USDA regulations now require imported grapes to meet USDA Grade specifications earlier than previous years," explains Llano. "This ruling, in addition to the potential for tighter late supplies of red seedless varieties from Chile, could bolster the Spring Deal."

"With the change in date on the last arrival of Chilean product in the United States and some of the difficulty in Chilean production, it could be a good start out of Mexico," says John Forry, vice president marketing with DJ Forry Co. Inc., in Novato, CA. "Volume has been down and pricing has been good. There hasn't been a lot of extra large fruit out of Chile."

Differences in the Chilean deal this year may affect the spring market. "The Chilean deal has a definite effect as normally large inventories flood the U.S. market into our season," says Fazio. "However, the crop on Flames from Chile is light this year and moving well, which means the Crimsons from Chile may be the same and sell out before we start in Coachella due to demand and light crop."

2. KEEP FOCUS ON QUALITY

The base of any successful program is quality. "The most important thing is having a good, fresh product," says David Lukens, produce manager with West Point Market, a renowned gourmet food store, located in Akron, OH. "The most important thing is to start with a good quality grape."

"Retailers need to promote 'new crop' table grapes — freshly harvested and fresh to their stores



— not grapes that have been in cold storage and shipped all the way from Chile,” states Jerry Havel, director of sales and marketing and for Rio Rico, AZ-based Fresh Farms. “We have the volume to promote and the freshness to help them sell.”

“Stores who resist stocking Sonora grapes because stock USA grapes ‘are available’ are handicapping themselves,” says John Pandol, director of special projects for Pandol Bros. Inc., headquartered in Delano, CA. “The two peak weeks from Mexico produce more than the entire Coachella season. Sonora production is three times what U.S. production is in May and June.”

Understanding taste and timing will better help plan volumes and promotions. “The Perlettes and the first round of grapes can be a more sour variety,” cautions Lukens. “They look nice and hold up nice, but tend to be a higher price and also tend to have a sour flavor, so they don’t move quite as fast. As the season goes on, we get the sweeter grapes such as Flames and the Sugraones variety so we move more volume.”

3. KNOW YOUR VARIETY

Central to the spring deal is the timing of the distinct varieties involved. “Flames account for a majority of our volume, with increasing volume expected in 2010 for Summer Royals and Sugraones,” reports Castle Rock’s Llano. “Summer Royals performed well in 2009 and we expect continued performance both domestically and for export in 2010. We begin with Flames and Summer Royals the first week in June, and we continue through early July. Thompsons start around mid-June and Sugraones begin around the third week in June and finish around the third week in July.”

As some varieties take over center stage, older ones are being cast off to the wings. “Most of the old varieties are pulled out or being pulled out, such as Thompsons and Perlettes, for example,” states Fazio of Fazio Marketing. “The new plantings are mostly Sugraones and Summer Royal.”

“In Coachella we have been converting the Perlettes to the Sugraones variety,” adds John Harley, sales manager with Anthony Vineyards Inc., based in Bakersfield, CA. “Sugraones are the preferred variety because of their size and they mature a little bit sooner than Perlettes do.”

Growers continue to improve their offering through focusing on the best varieties. “There’s a few more Princess and Crimson, but it’s still dominated by Flames, Sugraones, Blacks and Globes,” reports Forry of DJ Forry.

One up-and-coming variety is the Black

Seedless,” reports Keith Cox, produce category manager and buyer for Abingdon, VA-based chain K-VA-T. “Growers continue to improve on testing new varieties of each flavor for sweetness and holding power.”

“One of the biggest missed opportunities is late Perlette,” notes Pandol. “Many plant breeders try to include a Muscat flavor characteristic, which mature Perlettes have. Everyone wants to jump and pay more for Sugraones with minimum sugar when tasty Perlettes are abundant May 25 to June 5. The amber tone common in mature Perlettes is a merchandising challenge, but stores with robust sampling and tasting practices can make it work.”

4. STRATEGIZE ADS

The fast pace of the spring deal means well-timed ads pay off. “Feature grapes,” advises Fazio. “There are many holidays during this period available to set ads. Retailers should work with shippers to establish good, sound ads that move volume and have a profit structure for all. Planning ahead and setting ads is crucial. Ads make the deal and establish a profit for shippers and retailers.”

“The fast pace makes ads even more important in order to move the fruit on a daily and weekly basis,” adds Gonzalo Avila, vice president and general manager with Malena Produce Inc., in Rio Rico, AZ. “The challenge is the timing of the beginning of the promotable volume, but once it’s up and going, ads are a must, regardless of the crop outlook for the season.”

“The desert deal depends on several ad periods,” acknowledges Fazio. “Mother’s Day is May 9 so we will miss this date. But Memorial Day is May 31, and the late timing this year means it’s good for grape ads. Flag Day, on June 14, may see limited ads, but with good potential for U.S.-grown product. Father’s Day, on June 20, is another opportunity, and of course, July 4th, is big.”

While pricing and availability may present some challenges, retailers who persevere will be rewarded. “You often don’t see many ads before the second week of June because of price and availability,” says Forry. “Many retailers have had too many problems getting covered.”

“We would like to be able to advertise six to eight weeks during this time period,” says K-VA-T’s Cox. “Advertising grapes greatly improves customer traffic flow into our produce departments and also increases sales and distribution.”

When it comes to ad planning, the early bird may get the worm. “By late April, we know what kind of crop we are dealing with, both from a volume and quality stand-

“Pricing doesn’t have to be aggressive. A reasonable ad price will move volume and bring margin dollars into the store. Our research also shows that promoting two or three colors together increases sales.”

— Tom Wilson
Giumarra Companies

point,” says Havel of Fresh Farms. “We are going to lock up a percentage of our June business before we harvest the first grape in May. When it comes to reserving your volume for a June ad, the earlier the better.”

5. PARTNER WITH SUPPLIERS

The partnership between buyer and supplier becomes an even greater tool in a fast-paced deal. “In this environment and economy, we need to see buyers make a commitment to their growers early in the season to ensure they get the right quality, variety and the grapes they need to have on their shelves,” explains Harley with Anthony Vineyards. “This is becoming more of a strategic deal rather than a production-driven deal.”

Accurate and timely information can make or break the business. “Make sure you’re getting accurate information from your vendor base,” suggests Harley. “Ensure the Mexican deal has the production they say they have and Coachella has the volume they say they have. Accurate or inaccurate information has an effect on everybody — how we approach the market and how we approach the retail trade. It is important for retailers to make sure their vendor community has the adequate supplies to at least floor the product. Price becomes a secondary issue.”

“If you want accurate information, listen to the late guys,” suggests Pandol of Pandol Bros. “Last year’s estimate of 10.9 million boxes out of Mexico had growers arguing both higher and lower numbers. The number ultimately was two million higher, in

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A COMPREHENSIVE SYSTEM

Like the United States, Mexico has a comprehensive food safety/phytosanitary regulatory regime. It includes nearly 250 mandatory compliance regulations covering a wide range of agriculture production activities, including animal feed, organics, additives, packaging, insects/pesticides, processing, and transportation. There are a number of federal agencies with responsibility over food safety, including the Ministries of Agriculture, Livestock, Rural Development, Fisheries and Food (SAGARPA); the Environment and Natural Resources (SEMARNAT); and Health (SS).

Many Mexican growers have voluntarily implemented Good Agricultural Practices (GAP), and Mexican processors have implemented Good Manufacturing Practices (GMPs). In 2007, the Mexican Congress

enacted an initiative strengthening the authority of Mexico's Agriculture Ministry to further enhance compliance with GAPs and to ensure the safety of food products grown in Mexico.

PRIVATE SECTOR PUSH

The Mexican private sector and state governments are also diligently working on this issue. One of Mexico's most comprehensive attempts at a quality and food safety certification program is the Mexico Calidad Suprema (Mexico Supreme Quality or MCS). MCS is a private, non-profit organization operating under a Mexican Federal government program. It was formed by the principal associations in the country for the purpose of collaborating with the federal government on actions promoting certification and branding of Mexican food products.

Also, some producers and regions are going beyond their local and regional efforts to implement even greater programs. In Guadalajara, the Mexican Association of Protected Agriculture (AMHPAC) is working on a Prevention Project based on the SQF Program, a food safety and quality certification system endorsed by the Food Marketing Institute. The state of Sinaloa, Mexico, has implemented its own

food safety certification program entitled Sinaloa Safe Tomato requiring a registration with Mexico's federal department of agriculture, SAGARPA, as well as producer food safety programs and third party audits. The state hopes to expand the program to cover many other products including chile peppers, bell peppers, eggplant, squash, green beans, mangos, oriental vegetables.

LOOKING TO THE FUTURE

But Mexico is not resting on its laurels. Instead both government and private sector are moving to develop additional systems for improvement in the food safety arena. As the recognition of the limitations of GAP and GMP programs has become evident, the governmental programs in Mexico are now focused on developing a HACCP-based program for reduction of risk of contamination, taking advantage of all the goals reached with the previous GAP-based programs. Training, promotion, documentation, field studies and technical support are the main components of the contamination reduction risk system to be established. Recognition to participant growers will also be a continuous tool to enhance participation and maintenance of the program.

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Q&A – Confirming Food Safety with:

Eric Viramontes CEO Mexican Greenhouse Growers Association
and Luis Cruz, Director General, AVQ Consulting

Q: How are Mexican growers demonstrating their commitment to food safety?

VIRAMONTES: Our members have a very clear understanding of the importance of food safety and are very committed to achieving it in growing, harvesting and packing practices. In most cases our growers are carrying out certification programs proving this commitment via third party certification or Good Agricultural Practice (GAP) programs promoted by our federal government. Every time I have accompanied someone from outside of Mexico to a growing or a harvesting operation here, they are always surprised to see how well our growers are implementing food safety practices.

CRUZ: Since 1997, when the Clinton Food Safety Initiative was announced, Mexico's produce exporters started to work in GAP's and GMP programs. In the early 90's private certifications like SCS and Primus Labs were adopted by Mexican exporters. At the beginning of this decade, Mexico Supreme Quality and SENASICA's certification (both provided by the Mexican Government) were the standard for a Mexican produce exporters. Now, since 2008, integrated quality and food safety management systems like SQF are being adopted to demonstrate the high level of commitment by implementing the highest standard in the produce industry. Just recently, Mexican produce exporters were actively participating in the discussion for establishing the metrics for food safety in Tomatoes, Leafy Greens and Melons that were used as a basis for FDA's draft guidance issued in 2009 for such commodities.

Q: Is there real-world data to support this commitment?

CRUZ: Mexico has kept a growing trend in produce exports to the U.S. since 2005. In 2009, Mexico exported 65% more vegetables and 35% more fruit to the U.S. than in 2004. Comparing 2009 and 2008, Mexican exports increased 2% in tomatoes, 11% in avocados and 23% in papayas. New categories like Guavas got their market open. This couldn't be achieved without a consistent effort from growers in ensuring

their food safety programs were in place. Additionally, FDA OASIS reported most of the rejections of shipments at the Mexican border as related to labeling. There was a 12% reduction of rejections in 2009 compared with 2008. This information shows that food safety incidents at the border have been decreasing.

Q: What specific programs or certifications are there to support the grower's/ exporter's commitment?

VIRAMONTES: Our organization has set the bar to promote the SQF standard as our organization's program. Our goal is that by 2012 every single one of our members will meet this standard. We have the support of the Mexican federal government, agencies like Mexico's Supreme Quality, and the SQF representative office in Mexico.

CRUZ: Currently, from the official side, there are two major programs. The first is SENASICA's certification, which is the Mexican Ministry of Agriculture GAP's and GMP's program, implemented in more than 800 growing and packing units. Another official program is Mexico Supreme Quality, a GAP's and GMP's - based certification implemented in over 300 produce growing units, but also covering 64 products other than fruits and vegetables.

Q: What challenges still exist?

VIRAMONTES: One major challenge is getting everybody involved in the produce industry to address this issue with the same criteria or a universal standard. We have to realize that this is something anybody dedicated to produce must incorporate and commit to, regardless of what part of the world they are located in.

CRUZ: Everyone involved in the food distribution chain should play a role in preserving food safety and quality of produce. There is no use for a grower in Mexico or California to do what they have to do if the distributor or warehouses do not have a minimum level of GMP's implemented. Additionally, we need to upgrade food safe-

ty programs in place. GAP's and GMP's are no longer enough. The use of tools like HACCP (Hazard Analysis at Critical Control Points) as the basis of a food safety program is needed. Traceability is another pending task. Most of food safety incidents related to Mexico have not been conclusive in their findings. While the industry makes efforts to identify the origin of products, regulators should be able to use that information and take reasonable judgment before pointing fingers.

Q: What are the most important things buyers should know about food safety and Mexico?

CRUZ: Mexican produce has the same level of assurance in safety and quality compared with U.S. grown produce. A report in 2009 by Texas A&M University shows the same level of incidence of food safety issues in U.S. grown as in imported produce. A decision of purchase should be made based on market conditions. There are efforts everywhere in Mexico to improve performance and commitment in food safety. Initiatives like the AMHPAC Food Safety Program and other industries aligning their programs to SQF show how Mexican suppliers are willing to adopt the highest standards available. Lastly, Mexico has always been open to visits and inspections by U.S. buyers and regulators. Organizations like the Fresh Produce of the Americas, CAADES and the Mexican Trade Office organize visits to fields and packing units. In 2010, FDA has visits scheduled to 30 growing regions within 12 states in Mexico, for inspection of tomatoes, bell peppers, cucumbers, green onions and hot peppers, among others.

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spite of weather problems in harvest. Generally speaking, the earlier growers argued tragically low and the late growers said normal crop past June 1."

6. CONSIDER PACKAGING

The preferred packaging on this deal is still the bag, although some modifications are making their way to market. "It's still mostly 70 percent bag carton, 27 percent clam or club pack and 3 percent loose," explains DJ Forry's Forry.

"The normal pack, per marketing orders, is 18-pound net cartons in bags," explains Fazio of Fazio Marketing Inc. "Bulk packing is very limited and mostly exported, with 20-pound net in mostly styro units. Clamshells are very active, with many new customers looking at this type of package. Many retailers use 8/2-lb., 10/2-lb., 8/3-lb. and 4/4-lb. units in a master carton. The volume will increase on clamshells this season."

"Packaging is going back to the way it should be," says Pandol. "Too short, 5-down boxes are going back to taller, 6-down boxes. As most retailers don't close bags, zip bags and the unusable press-to-close bags are giving way to plain bags."

Though bags are still the darling of the deal, clamshells are growing in interest. "We pack the majority of our grapes in 18-lb. bags, however demand for clam packs are continuing to grow and we expect increasing demand from retailers for 4x4 and 10x2 clam packs," says Castle Rock's Llano.

"The clamshell deal is interesting," adds Pandol. "The club stores are all clams, either packed at origin or repacked near destination. Limited assortment stores had gone all clams, but are now going back to bags at certain times of the year. Supermarkets have had mixed experiences. Grapes in clamshells are kind of like the organic deal — stores push it a lot harder than they should because conceptually, they think it should work, but the consumer behavior just isn't there."

"At this time, we prefer the bags for packaging, although clamshells continue to be the new trend in packaging," adds Cox.

7. USE CREATIVE AND FREQUENT PROMOTION

Grapes can be such an easy sell if consumers are reminded of them on the sales-floor. "Retailers should use signage stating it's a new crop," suggests K-VA-T's Cox. "Also, when advertising, it is good to advertise more than one variety at a time."

"Advertising, promoting and large, prominent displays of quality product at a reasonable price moves product in the retail set-

ting," says Giumarra's Wilson. "Pricing does not have to be aggressive. A reasonable ad price will move volume and bring margin dollars into the store. Our research also shows that promoting two or three colors together increases sales."

"Larger displays, perhaps with half clamshells and half bags, may create greater excitement with consumers," suggests Havel. "Make the clam shells 4-lbs. and the bags the normal weight. This offers a choice between a smaller purchase and a larger one, and gives a choice of pack styles. The message to the shopper is one of freshness and satisfaction for everyone."

Success can be had with frequent promotion during this short period. "There is such a short availability window with the spring grapes that you should promote as often as possible to capitalize on sales and distribution during the time frame," advises Cox.

8. CHECK INTO TRACEABILITY

As food safety concerns linger, more and more growers and retailers are looking at traceability. "Traceability has become increasingly more important in all commodities including grapes," says Cox. "There are more and more shippers each year providing traceability."

"Giumarra is ahead of government standards with respect to traceability solutions," says Wilson. "I know there has been work done by the Mexican Grape Growers Association with respect to traceability and certifications such as Mexico-GAP, GlobalGAP, etc. Since a fair amount of these grapes are exported to the Far East, England and the European Union, growers in Mexico have to achieve a higher standard than many growers in the United States."

Increasingly, shippers are stepping up to the plate in this area. "We have our GTIN traceability program in place for the Desert and the Northern operation," says Fazio of Fazio Marketing. "However, some shippers are now realizing it needs to be done."

"Castle Rock has been dedicated to traceability in all of our vineyard operations, including Coachella for several years," says Llano. "Our receiving and inventory systems in Coachella are integrated with our computer system in Delano and provide us with trace-back to pack-date, ranch and lots. Additionally, we have conformed all packaging to GS-1 code standards throughout all vineyards and are GlobalGAP Certified."

"We are currently using Harvestmark at the case level and may adopt it at the bag level," reports Malena's Avila.

Fresh Farms is also partnered with Harvest Mark for its traceability program. **pb**

Make Way For Mushrooms

With creative usages and cost-saving techniques, mushrooms are turning up more frequently on menus all across the board.

BY CAROL BAREUTHER, RD

According to a 2009 report by Chicago, IL-based market research firm, Technomic Inc., there was a 12.5 percent increase in mushrooms on menus since 2005.

In addition, category incidence of mushrooms in a number of market sectors jumped by double digits from 2006 to 2009, according to MenuMine, a menu information database published by the Food Research Institute, headquartered in Oak Park, IL. In late 2009, monthly mushroom shipments to foodservice also started to show an increase over the same time period in 2008.

CREATIVE USAGES

Some of the strongest growth in menued mushrooms came at chains in the casual, fast casual and QSR segments. For example, mushrooms have played a large role in the QSR race to feature premium or gourmet burgers. According to MenuMine, in 2009, the QSR chain sector had a 7.2 percent mushroom burger menu penetration, compared to 1.9 percent in 2000. Some examples include Wendy's Gourmet Mushroom Swissburger, Burger King's Mushroom & Swiss Steakhouse Burger, McDonald's Mushroom and Swiss Angus Burger and Carl's Jr.'s Portobello Mushroom Six Dollar Burger.

Stuffed mushrooms continue to be popular in the casual dining setting. For example, these are the No. 1-selling appetizer on the small plates menu at The Cheesecake Factory, based in Calabasas Hills, CA.

Another trend is chefs using mushrooms to create sophisticated meatless dishes. Robert Okura, vice president of culinary development and corporate executive chef at The Cheesecake Factory, says, "We spend a considerable amount of time in research and development sessions creating vegetarian dishes and mushrooms offer a great solution."

Meanwhile, Dwight Collins, executive chef at the University of Santa Cruz, in Santa Cruz, CA, says, "Vegetarian cuisine is not only healthful, but can also help control food costs. Mushrooms are low in cost and high in nutritional benefits."

Operators can use mushrooms to extend a protein by adding them to ground meat mix in a meatloaf or burger, or cutting back on a costly protein and topping it with mushrooms. Mindy Segal, owner of Mindy's Hot Chocolate, a single upscale eatery in Chicago, IL, says, "Mushrooms are a way to get more out of expensive meats. You can use a smaller por-

tion of protein, but keep that deep, earthy flavor by pairing it with mushrooms, which helps control your food cost at the same time."

PROMOTIONS MAKE SALES MUSHROOM

The Mushroom Council partnered with Gaithersburg, MD-based Sodexo, Inc., which provides foodservice for 2,400 college/university, business and healthcare venues nationwide, for a seasonal promotion that ran from September to December, 2009. Sodexo promoted five mushroom limited-time offers (LTOs).

During the promotion, Sodexo served its customers an incremental 1.5 million pounds of fresh mushrooms and customers ordered approximately 6 million servings of the featured LTO items. **pb**



From top: Portabella Burger with Truffle Aioli and Cremini Mushroom Duxelle by Chef Todd Humphries of Martini House in St. Helena, CA. Shaved Portabella and Arugula Salad in a Parmesan Tuile by Chef Ben DeVries of Luella, in San Francisco, CA. Chermoula Grilled Cremini by Chef Allen Susser of Chef Allen's, in Miami, FL.

Photos courtesy of The Mushroom Council



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Eight Ways To Sweeten Sweet Onion Sales

Stocking truly sweet onions, offering them in more than one SKU and promoting their many uses are just a few ways to make sales bloom.

BY CAROL BAREUTHER, RD

Sweet onions were once a seasonal specialty. Today, year-round availability is a major reason why onion consumption has increased 63 percent in the last two decades, from 12.2 pounds per person in 1983 to an estimated 20 pounds per person in 2008, according to the Greeley, CO-based National Onion Association.

Mark Luchak, director of produce and floral operations at Rice Epicurean Markets, a 5-store chain based in Houston, TX, says, "For us, sweet onions are starting to overtake sales of storage onions. I think that's because they have a mild flavor that more people can enjoy."

1. SELL ONIONS THAT ARE SWEET

Sweet onions accounted for 26.2 percent of total onion category dollar share in 2009, according to the Perishables Group, a Chicago, IL-based market research firm that tracks and analyzes retail sales data of fresh foods.

Marty Kamer, northeast sales office manager for Keystone Fruit Marketing Inc., headquartered in Greencastle, PA, asserts, "Sweet onions have been driving growth in the onion category for the last three to four years."

John Shuman, president and director of sales for Reidsville, GA-based Shuman Produce Inc. and chairman of the Vidalia Onion Committee (VOC), in Vidalia, GA, agrees and adds, "Consumers value the multipurpose use of sweet onions, making them the fastest growing segment of the onion category. Based on consumer trends, we believe that the sweet onion category will continue to grow over the next few years while the yellow onion market will remain flat. Consumers perceive more value with sweet onions. Therefore, there is more



Sweet onions have recently been the fastest growing items in the onion category.

growth opportunity for this category."

"Retailers can assure customers that their sweet onions are truly sweet by randomly testing crops with a Certified Sweet program," says Barry Rogers, president of the Sweet Onion Trading Co., located in Melbourne, FL. "This is a pungency test that measures the ratio between sugar content and pyruvic acidity of the onion."

The quickest way to turn off a sweet onion buyer is to burn them with a pungent onion. This is especially true when consumers put premium dollars down on what they believe is a mild-tasting onion. "Sweet onions that are not sweet are what I call 'scam sweets' or lower-priced onions that are marketed as sweet," explains James Johnson, vice president of Carzalia Valley Produce Inc., in Columbus, NM. "It's disheartening."

Onions can indeed vary widely in their sweetness. Sugar and pyruvic acid are two variables, but so are the soil conditions, weather,

growing practices and seed variety. Anthony Cowart, owner of Cowart Inc., in Lyons, GA, says, "The sweet onions category has become diluted over the last 5 to 10 years."

"The solution," according to Kamer, "is to consistently meet consumers' expectations for flavor and mildness. This is what will continue to drive category sales."

"More importantly," says Wendy Branigan, executive director of the VOC, "Selling a sweet onion that is truly sweet is imperative for the survival of the industry."

2. STOCK A YEAR-ROUND SUPPLY

Rice Epicurean's Luchak reminisces, "Years ago, there were the Texas 1015s and Vidalias in the spring and a few Walla Wallas in the summer and that was it for sweet onions. Now, there is a 52-week supply, although we did see a gap this winter when Peru finished up early and the 1015s hadn't



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Marketing In Trying Times

Sweet onions are premium products. They are also one of a number of fresh produce items that have taken a hit in sales due to the current economic downturn. In fact, sweet onion sales declined in 2009 over the year prior, losing 0.6 dollar share points, according to data provided by the Perishables Group, a Chicago, IL-based market research firm that tracks and analyzes retail sales data of fresh foods.

Barry Rogers, president of the Sweet Onion Trading Co., based in Melbourne, FL, admits, "We have seen a decrease in some areas and feel, as a result, that the hybrid onion at the \$0.59 per-pound price point has gained back the market share. The typical retail price for sweets is between \$0.99 and \$1.49 per pound."

What can retailers do to regain sales? Make sweet onions a featured item at the start of the month, especially in today's economic climate, says Matt Curry, president of Curry & Co. Inc., headquartered in Brooks, OR. "Many customers stock up on food basics at the start of the month coinciding with their paycheck. Bagged sweet onion sales at the start of the month can

provide a nice value purchase."

Set the price point for a 2-lb. bag of sweet onions under \$2, suggests Derrell Kelso, Jr., owner and president of Stockton, CA-based Onions Etc. "There's no way you can sell a bulk jumbo or colossal sweet onion for under a dollar a pound, but you can with smaller onions merchandised in a bag."

John Shuman, president and director of sales for Shuman Produce Inc., based in Reidsville, GA, says "Retailers can maximize profit opportunity by reinforcing sweet onions' versatility and multiple usages as compared to conventional onions."

This is especially key as more consumers are now eating at home rather than dining out. Curry adds, "Tie your sweet onions to various efforts you may have going on. During the summer months, sweet onions are a must for any ad promotion featuring a summer barbecue. In the spring, sweet onion salads are quite popular. In the winter, sweet onions are great in soups and casseroles. Don't treat them as just another part of the onion category; treat them as the premium product they are."

pb

started yet."

This February, Schnuck Markets Inc., a St. Louis, MO-based chain, introduced a new sweet onion to its customers called the EverMild. This is a yellow onion variety developed by the Monsanto Company. Using traditional plant breeding techniques, it is grown in an area of the Pacific Northwest where the climate is dry and there are sandy, low sulfur soils. Thus, this U.S.-grown variety is ideally a fresher alternative at a time of year when most sweet onions are imported. Mike O'Brien, vice president of produce and floral, said in a release about the EverMild's arrival in-store in early February, "Our buyers have sweet onions coming in from across the globe in every season, but from February to when the Vidalia becomes available in April, there has been a gap in the availability of domestic sweet onions – until now." In-store sampling and demonstrations introduced the EverMild onion to Schnucks' customers from the onion's arrival in early February through the end of March.

Typically, sweet onions are available out of Chile, Ecuador, Guatemala and Mexico from January to March. Texas 1015s start harvest and are in the market from April to

May, while Georgia's Vidalia season runs from mid-April to early September, thanks to controlled-atmosphere (CA) storage that extends the season through July and August. At the same time, there are Imperial Sweets from California that ship April through June, and Walla Walla Sweets out of Washington from June through August. Peruvian onions come into the market in September and will continue into February.

Matt Curry, president of Curry & Co. Inc., in Brooks, OR, says, "Occasionally, you see a gap as you switch between varieties since sweet onions don't store nearly as long as regular onions, due to their higher sugar levels. It's important that retailers work closely with their sweet onion supplier to have seamless supplies of sweet onions and maintain the momentum."

Other growing areas offer sweet onions through the year that fill in specific niches. "For example," says Robert Schueller, director of public relations for Melissa's World Variety Produce Inc., based in Los Angeles, CA, "Maui onions are available out of Hawaii from mid-March until late August and they peak from April to July. Growers try to offer them year-round but sometimes, the September to February time frame can

be more difficult due to this being the rainy season, which effects growing, sizing and the quality of the onions."

The Carzalia Sweet harvest in New Mexico runs from June through September. Johnson of Carzalia Valley reports, "The big window for us is June, although that has closed somewhat with Vidalias out of storage and when the Walla Walla crops starts early. That's why we started to trial our seed variety three years ago in growing areas like Colorado, Idaho and Washington for that July to September time frame." L&M Companies, based in Raleigh, NC, will now market the Carzalia Sweet.

Empire Sweets are a New York-grown sweet onion available from August to November. Richard Pazderski, director of sales and marketing for Bland Farms LLC, in Greenville, GA, which bought the farming operations and trademark for the Empire Sweets last spring, says, "Peruvian product is available during this time frame and this domestic program is a complement to that supply. We see continued room for domestic expansion. It's just good business."

3. MERCHANDISE BY LOCALE AND BRAND

The jury is out on whether it's most effective to market sweet onions by growing region or brand. There are advantages of both methods. Keystone's Kamer says, "Some customers will specifically look for the Texas 1015s, Vidalias and Walla Wallas, for example. Others just want a mild, flavorful taste experience."

On the growing region side, Marvin Lyons, produce director at Bigg's, an 11-store chain based in Milford, OH, asserts, "Consumers look out for onions from a certain area. For example, if you put 'Peru' in an ad and you're caught off guard by either the season drying up or your supplier switching areas, which happened this past season, customers will be disappointed. They look for the sweet onions from Peru. They also look for the Vidalias. That name has a lot of recognition."

Kevin Hendrix, vice president of Hendrix Produce Inc., in Metter, GA, agrees and adds, "Vidalias created a new category in the onion deal twenty years ago. Today, consumers know the name Vidalia and ask for it by name."

Indeed, the name Vidalia does have a strong marketing pull. According to a consumer study conducted by the Cambridge, MA-based Opinion Dynamics Corporation, on behalf of the VOC, nearly 75 percent of consumers named Vidalia onions as their favorite compared to other sweet onions, and a third of consumers were willing to pay more for Vidalia onions.

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In addition, Vidalias are the dominant variety among all sweet onions, according to the VOC, outselling Texas 1015s five-to-one and Walla Wallas seven-to-one. In addition, Vidalias represent 16 percent of all onion sales nationally, whereas all other sweet onions combined represent 20 percent. The VOC's Brannan says, "Vidalias have become the 'Kleenex' of sweet onions. However, it's important to know that Vidalias are seasonal. All Vidalias are sweet, but not all sweet onions are Vidalias."

The move from region to region throughout the year provides a prime merchandising opportunity. Curry & Co.'s Curry explains, "Our opportunity as sweet onion marketers is to give retailers the tools to celebrate the attributes of each sweet onion. There are fun and interesting stories to tell about each different onion and we need to get those messages to the consumer."

On the brand side, companies such as Shuman Produce offer a 52-week supply of sweet onions under its RealSweet brand. This includes Vidalia onions, as well as sweet onions grown in Peru, California, Texas and Mexico. Shuman says, "This provides a year-round supply of high quality sweet onions from a single source."

Likewise, Melissa's markets its Perfect

Sweet Onion, a proprietary seed and trademarked product. While the name remains the same year round, its source follows the seasons from California to Texas, Mexico and Peru.

John Battle, president of Traverse City, MI-based Battle Produce Exchange Inc., which markets the Oso Sweet brand of onions, says, "It is more important for a consumer to gain loyalty to a brand if they are concerned about buying a safe and consistently sweet onion. After all, companies stake their reputations on their brands and have a vested interest in providing a good sweet onion."

Delbert Bland, president and CEO of Bland Farms, remarks, "Branding is especially important in products that are less commoditized. For example, if I'm buying an apple, I'm going to buy it by type. If, on the other hand, I'm buying strawberries, I'm going to look for a particular brand. There are a few commodities like this, and sweet onions are one of them. The label carries a lot of influence."

4. ADD A BAGGED SKU

At Bigg's, Lyons reports, "We're selling more 3-lb. This is a change. We used to just sell a jumbo sweet onion bulk. Now, we



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Reader Service # 14

Retailers Should Expect Average Vidalia Sweet Onion Supplies With Fewer Jumbos

BY BILL MARTIN

A cold, rainy winter has played havoc with such duties as plantings and fertilization of the Vidalia sweet onion crop and is expected to reduce supplies as much as 30 percent from a year ago, according to growers and shippers in Southeastern Georgia. Short supplies of sweet onions in Mexico and south Texas leading into the Georgia harvest has observers predicting higher prices and fewer opportunities for retail promotions, particularly with jumbos. Yet, despite the obstacles, the trade still has high hopes of an average volume, but quality crop.

Michael Hively is CFO and general manager of Vidalia's largest sweet onion grower/shipper, Bland Farms, LLC, Glennville, GA. "I'm not sure there will be ample supplies for retail promotions, but it's too early to predict," he said in early March. Even though he believes the crop will be down 20 to 25 percent from a year ago, it should be an average supply.

At Shuman Produce Inc., John Shuman is president of Vidalia's second largest sweet onion grower/shipping operation and third largest grower/importer of Peruvian sweet onions. Based in Reidsville, GA, Shuman expects a minimum 20 to 25 percent loss of the overall crop, but does not consider this alarming, since at least one-half of this amount is lost every year due to various factors ranging from weather to disease. Shuman still expects a good quality crop with ample supplies for retail promotions.

Bo Herndon considers his operation lucky since 92 to 93 percent of his onion stands remain in the fields. The president of L.G. Herndon Jr. Farms Inc. of Lyons, GA, sees the overall Vidalia crop being off 25 percent or more, with a late harvest beginning sometime in April.

"We will have ample supplies for our own customers and over all the Vidalia crop will not have ample supplies," Herndon predicts. "I don't think there will be a lot of onions in storage this year. There will be onions for everyone, but there might not be any left in September."

Hively at Bland Farms agrees. Noting the crop will be late due to a cool spring, he adds, "I've got a feeling it will be here and gone before we know it. Normally we have a six to eight week harvest window. I think the harvest window will be shortened down to a five-week window."

Steve Roberson, president of Roberson

Onion Corp., based in Hazlehurst, GA, believes the Vidalia crop will be one to two weeks late this spring, but harvest will still begin "sometime in April." Even though he sees 10 to 30 percent fewer onions this year from Vidalia, his customers are "showing good interest in the crop" and he is advising them there will be adequate supplies for the fresh market. However, he cautions, "It remains to be seen" how many onions will go into storage.

At Richter and Co. Inc. in Charlotte, NC, John Tumino heads Vidalia sweet onion sales for Stanley Farms in Vidalia, GA. He says some replantings due to rains were taking place as late as January, which is two months following initial plantings.

"Most of the plant's bulb growth occurs during the last 20 days prior to harvest and we need these onions to size into jumbos. That being said, late autumn planting was hampered by heavy rains and compounded with freezing winter temperatures resulting in an industry-wide crop loss of about 30 percent. I expect large onions will be in short supply this season but mediums will be a very promotable pack," Tumino says.

WHAT IS NEW IN VIDALIA?

Following is a glimpse of Vidalia sweet onion companies that have reported changes in their operations from last year for reasons ranging from efficiency, to providing better service for their customers.

Bland Farms: In his second one-year term as chairman of the Vidalia Onion Committee, Hively says Bland Farms has installed a new onion-bagging machine for consumer bags. "We'll be able to do carry (vert) fresh bags on one side of the machine and produce draw string bags on the other side," Hively observes.

L.G. Herndon Jr. Farms: Herndon says auto steering has been installed on the farm's tractors. A new onion bagging machines has been added. Two new sweet corn planters have been acquired, which now allows the company to plant 16 rows of corn at a time.

Roberson Onion Co.: This year marks a first for Roberson to have a year around onion deal. He has recently started working with an American distributor of OSO sweet onions from Chile and the two will be supplying each other with sweet onions. Roberson also handles Peruvian sweet onions.

Shuman Produce: The company is now growing the granex onion variety in the Sal-

nas, CA, area. The sweet onion variety helps the firm fill a window in supplying onions on a year around basis, according to Shuman. The California product will be available during July and August and helps bridge a gap between the Vidalia sweet onion spring deal and the company's winter onion supplies from Peru. During the 2009-10 Peru Sweet onion season, the company increased its product by 25 to 30 percent.

Shuman has been in the year-round sweet onion business for over 12 years and has expanded its growing operations into Mexico, Texas, California, and continues to source product from Colorado and the Pacific Northwest.

Concerning Shuman's food safety program, sales manager Brandon Parker states, "We have elevated...to Primus Platinum Program. This gives our partners immediate and unlimited access to our supply chain allowing them to view audits and corrective actions in real time. We believe this increases the level of trust and confidence for our partners. We are committed to building strong, productive, year-round partnerships and have taken many steps to empower our retail customers to service their customer base with the best quality and safest available product in the market.

Stanley Farms: Tumino of Richter, who handles Stanley Farms onion sales, says the farming operation continues to make capital investments in environmental and efficient energy sustainability. The completion of another 20,000-bushel forced-air wall plenum drying room increases drying capacity to 80,000 bushels. These four high-tech European designed rooms each utilize 5 million BTU natural gas blowers with 40 HP fans to recirculate heat and control humidity in a closed system. The dryers use proprietary 80 bushel bins, four times the standard capacity. The result is less handling and drying time and reduced energy cost. And, it produces a cleaner, brighter, well-husked onion. The drying rooms also convert to refrigerated storage increasing Stanley Farm's available storage capacity to 200,000 bushels.

Also new in 2010, a grader will employ a British engineered vacuum extraction system that removes loose dust, dirt and husk and then collects it for soil compost. This effort will result in a cleaner and safer environment. Stanley Farms is also in the process of converting field irrigation systems from diesel to electric and eventually solar power.

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carry a jumbo or colossal in bulk and a medium/large in bagged. That's two rings."

Some 65 to 70 percent of sweet onions are sold in bulk, reveals Bland's Pazderski.

Sweet Onion Trading's Rogers adds, "Some consumers may prefer to buy sweet onions loose to save money on the packaging and pick quality. However, a growing trend is consumer packaging in 2-, 3-, 5- and 10-lb. bags."

The most common bag sizes are 3- and 5-lbs., says Curry. "With some varieties of sweet onions, we are also doing a 2-lb. bag, which can provide a nice price point."

Mesh is an economical packaging material. However, more expensive, high-graphic bags can spur sales by providing consumers with information. "High-graphic bags are becoming increasingly popular," remarks Rogers, "due to their eye-catching designs and pertinent information."

Shuman Produce's Shuman agrees. "Product packaging that offers see-through bag material, onion varietal identification, menu ideas and preparation tips will entice consumers to purchase more. All of our consumer packages include recipes, storage tips, health benefits and nutritional information."

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5. HANDLE PROPERLY TO SHRINK SHRINK

Rogers notes, "The best way to handle sweet onions is to keep them in as consistent an environment as possible. A cool, dry room is preferable."

Steve Roberson, president and owner of the Roberson Onion Corp., based in Hazlehurst, GA, agrees and adds, "The dryer and cooler, to the extent practical, the better the shelf-life."

The most common mistake with sweet onions is to treat them as regular onions, says Curry & Co.'s Curry. "Sweet onions require a more gentle approach. Keep them in the cooler until you're ready to put them on your shelves. Use proper rotation techniques and as with the rest of the department, the better the display looks, the better the sales."

More specifically, Shuman recommends, "To prevent bruising, decay, sprouting and quality loss, don't throw, toss or drop bags or boxes of sweet onions. Don't stack bags over 8-ft. high. Don't dump into display bins and remove onions that are bruised or cut."

"Display-ready containers can reduce shrink and lost profits by reducing handling and therefore bruising," recommends Steve Phipps, principal owner and sales and mar-

keting director for Marketing Fresh Produce LLC, located in Nixa, MO. "It also makes for an attractive display."

6. BUILD EYE-CATCHING DISPLAYS

Sweet onions are best displayed when something is done to set them apart, says Curry. "Perhaps it's unique signage and point-of-sale materials or a stand-alone display in peak season," he details. You can use the high-graphic bags as a break between regular bulk items. Our own sweet onion boxes are bright and colorful and can be used for waterfall displays or separate stand-alone displays as well."

Sweet Onion Trading's Rogers adds, "Display sweet onions in a color-break to draw attention, for example, next to tomatoes and red onions."

At Bigg's, sweet onions are usually displayed adjacent to storage onions, says Lyons. "We'll move the sweet onions to end caps for promotions or during holidays when people are cooking more."

Luchak, at Rice Epicurean Markets, says, "We like to build displays with high-graphic cartons that sell the story of the onion."

Bins are effective for increasing display space during peak availability periods.

Kathy Fry, director of marketing for the Walla Walla Sweet Onion Marketing Committee, in Walla Walla, WA, says, "Our season is only nine to 12 weeks, so make a big splash with a big display and merchandise onions out of well-signed bins. Hang a big banner over the display to let customers know the Walla Wallas have arrived."

Carzalia Valley Produce offers branded, bi-lingual bins that hold 60 10-pound mesh bags of sweet onions, says Johnson. "They're retail-ready, meaning all the produce staff has to do is set them on the floor and sell." The company is trialing the bins in various Piggly Wiggly stores.

Maintain a year-round assortment of sweet onions in different packs and adjust according to your shoppers' demographics, advises Shuman Produce's Shuman. "Consumers prefer a variety of packaging options. This includes bulk, smaller bag and larger bag offerings. When space is limited, retailers must focus on core items, such as bulk and possibly one size bag offering." He adds, "Supplement merchandising efforts through attractive, educational point-of-purchase materials to communicate type; use options and nutrition information about sweet onions."

One of the most important types of POP is proper signage for the onions, says the VOC's Brannan. "I had a customer call me in early February to ask if the Vidalia onions being sold in the store were really Vidalias. We're not in season then. It's important to change signage as seasons change and not to re-use boxes for one type of sweet onion for another type. That only confuses the customer."

7. CROSS-MERCHANDISE CREATIVELY

"The best way to cross-merchandise onions is to market them next to complementary items such as garlic and salad greens," says Sweet Onion Trading's Rogers.

Include a secondary display of sweet onions next to the packaged salad case, recommends Shuman. "Merchandise tomatoes and avocados next to the sweet onions. Display related products, such as salad toppings, crumbled bacon bits and onion ring batter, next to the sweet onion display."

Think creatively, recommends Curry & Co.'s Curry. "Are you a partner with a particular salad dressing company? Can you create a sweet onion salad? Have sweet onions recently been featured in any of your local food publications or on the Food Network? You can capitalize on the attention they receive. Work with the various sweet onion commissions. They have a lot of great recipes." The Walla Walla Sweet Onion Marketing Committee, for example, uniquely



offers recipes for caramel-dipped sweet onions akin to caramel-dipped apples.

Outside the produce department, Rogers adds, "Cross-merchandise sweet onions in the meat department."

Battle Produce's Battle adds, "A novel idea is to cross-merchandise sweet onions in the soup aisle. Consumers really like the idea of dressing up a canned soup with a fresh ingredient." Sweet onion-topped soup is something that can easily be demo-ed in-store, Battle says. "Just sauté the sweet onions. Customers will smell it from the other side of the store and come over."

8. PROMOTE SEASONALITY YEAR-ROUND

Rogers remarks, "The best way to promote sweet onions is twice a month, alternating between bulk and consumer packages."

This is just what Lyons does at Bigg's. "We'll either promote sweet onions once a month, bag or bulk, or twice a month with a 3-lb. bag one time and bulk the other. This gives shoppers two options and two price points."

Beyond price, a benefit of regular promotions is letting customers know certain sweet onions are available. Curry details,

"Each region can be celebrated and an ad or promotion run calling attention to the newest offering. Use your social networks. Alert your consumers on Twitter that a new crop of sweet onions has just started."

Take a cue from foodservice, says Walla Walla's Fry. "A local burger chain starts a countdown to the start of the Walla Walla season. The same thing can be done at retail. All you need is signage and a savvy ad writer to build that awareness and get customers excited."

Recipe tie-in promotions can also be effective. Derrell Kelso, Jr., owner and president of Onions Etc., in Stockton, CA, states, "This season, we're working on a spring ad with a retailer that cross-merchandises our Tuscan sweets with strawberries around a strawberry, sweet onion and spinach salad theme." The two-week promotion will feature the company's Tuscan Sweets, a 2-lb. bag of Italian Red Onions and Texas 1015s, on ad one week and 1-lb. clamshells of strawberries on ad the next. Both products will be cross-merchandised together in front of the department display with strawberries rimmed by bags of sweet onions. The salad recipe and a full-color photo of the recipe prepared are featured on the onion bag.

This season, too, the VOC is offering kid-friendly recipes on POS tear-pads as part of a special, season-long promotion that partners with Dreamworks Animation using Shrek to reach a younger demographic of customer. The recipes include Donkey's Savory Onion Parfait (sour cream with caramelized onions for fresh vegetable dipping), Swampy Joe's (sloppy Joe with chopped spinach and Vidalia onions in the mix) and Shrek's Toad Stool Stacks (vegetable loaded meatloaf).

The promotion, which is running under the tag line: 'What do Ogres and Onions have in common? Layers of originality, Shrek forever after, Vidalia forever sweet,' also includes in-store radio ads that will run in over 600 supermarkets in 38 markets, an online consumer sweepstakes and retail display contest where the winner will receive a free trip to Universal Studios in Orlando to see the Shrek 4D attraction. The VOC's Brannan says, "The fourth Shrek movie will come out May 21st and that's the peak of our season. It's the first 3D Shrek, so there will be quite a media buzz. All point-of-sale materials will include the Shrek image, which has an 89 percent awareness rate with parents of kids ages 6 to 12, the highest of any animated character."

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Top Tips For Merchandising Tomatoes

Retailers can help sway customers in tomato purchases.

BY CHUCK GREEN

Some grocery store shoppers confidently flit from aisle to aisle, department to department, while others seemingly are paralyzed by uncertainty. Whomever the customers, several merchandising tactics can help draw their attention and persuade them to purchase one or more of a continually expanding cornucopia of tomato varieties available in the United States marketplace, according to industry experts.

Typically, five or six types make up about 80 percent of produce sales, yet retailers should study the dynamics of their produce department to better understand which tomatoes are the "workhorse of the category" and allocate space accordingly, advises Mark Cassius, vice president of sales for Eurofresh Farms Limited in Willcox, AZ. Occasionally, though, he notes, some stores devote what might be disproportionate room to specific varieties, such as Roma, which are less expensive than more unique varieties, including Heirlooms, clusters and premiums. This strategy might not pay the bills, he warns.

Increased floor space dedicated to select tomatoes that sell more aggressively, along with competitive pricing, pays off for retailers, says Alejandro Canelos, officer at Nogales, AZ-based Apache Produce Imports LLC. "The variety's already there; retailers



About 75 percent of consumers pre-plan tomato purchases and include tomatoes on a regular shopping list.

of Agriculture Economic Research Service. Additionally, individuals regularly shop for tomatoes weekly or several times a month, states the Samantha Winters, marketing director of the Maitland-based Florida Tomato Committee (FTC). In fact, about 75 percent of consumers preplan tomato purchases and include tomatoes on a regular shopping list. That underscores the importance of the tomato category to the produce department, which currently contributes more than six percent of total produce department dollars, the committee notes.

should just put it in the middle of the floor, like they've been marketing apples lately — a whole kiosk dedicated to tomatoes."

Fresh and processed tomatoes account for more than \$2 billion in annual farm cash receipts, according to the U.S. Department

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certain types of tomatoes in produce departments, it might not always be that simple as some retailers may be stretched on space within the area, Cassius admits. In that event, retailers have used secondary displays with photos affixed that explain a product and usage occasions, he points out.

Fresh Florida tomatoes work well in secondary displays that can be placed next to complementary items including packaged salads, onions, herbs and dressings, as long as tomatoes aren't exposed to cool temperatures, adds the committee.

In the push by retailers to generate maximum productivity from their overall stocking selections, Gordon Robertson, vice president of sales and marketing for Sun World International LLC, in Bakersfield, CA, notes, ultimately, nothing translates into sales, not to mention brand loyalty, more than offering high quality products. "If consumers see what they think is a great looking product and likes it, it makes a big impact."

PROVIDE GUIDANCE

Yet, while customers might know quality, they can't be expected to understand different pricing, or how to buy tomatoes, observes Mark Munger, vice president of marketing for Andrew & Williamson Sales Co. Inc., in San Diego, CA. That's where retailers can guide them in their shopping selections, he says. "For instance," elaborates Munger, "given consumer purchase habits and category management, retailers can prompt shoppers by lumping tomatoes into various categories, from the every-day sort of low-priced tomato, such as the Roma, to the premiums, such as tomatoes-on-the-vine and grape, all the way up to gourmet varieties such as the Heirloom and specialties.

Munger adds that while value-type toma-



Heirloom tomatoes, along with other gourmet and premium varieties, should be merchandised at eye-level, to attract customer attention.

The Secret To Selling Sun-Dried Tomatoes

In addition to the many varieties of fresh tomatoes consumers can choose from in the produce department, there's also sun-dried tomatoes to think about. Retailers, take note: Just because these aren't "fresh" tomatoes doesn't mean they should be relegated to the grocery aisles. Bill Riley, vice president of sales and marketing for California Sun Dry Foods, based in Danville, CA, asserts, "The category does not compete with fresh tomatoes; it complements them. They have two completely different uses. The rule of thumb is that the closer you merchandise sun-dried tomatoes to fresh tomatoes, the better your sales will be."

Mary Mooney, general partner at Chico, CA-based Mooney Farms, agrees, "The best place to merchandise sun-dried tomatoes is always by the fresh tomatoes. Even though they are dried, they still taste like a tomato. It's just a more robust flavor. When people think of tomatoes, they think of all varieties and they are all produce-driven."

While most retailers follow this rule, others worry about cannibalizing the entire tomato category. Mooney contends there's no reason for concern. "If you need a sliced tomato, you are not going to buy sun-dried tomato packed in olive oil. There are completely different uses for them."

Even though household penetration continues to be low, admits Riley, "Many people experience the flavor of sun-dried tomatoes in a restaurant and then want

to try them at home. So our job is to get recipes into consumers' hands. We use neck hangers for this. Plus, we direct consumers to our Web site and also to our 1-800 number. There's recipes for everything from hors d'oeuvres to center-plate dishes."

Mooney reports, "A recipe booklet on every jar offers consumers at least five or six recipes. They are seasonal, so they change a few times a year. We have recipes on the Web site, too, and in a couple of months, we are going to launch our new site, which will feature even more recipes, as well as a blog."

In addition to being a healthful snack, sun-dried tomatoes are replete with nutritional benefits. According to Mooney, sun-dried tomatoes have 17 times the amount of lycopene as a fresh tomato and loads of anti-oxidants. "Plus, our sun-dried tomatoes are packed in olive oil, not canola oil, which is an excellent source of Omega 3," she adds. "People want nutritious snack options that are easy to eat and sun-dried tomatoes fulfill all these requirements."

And what great snacking options there are! In addition to the typical sun-dried tomatoes packed in olive oil, California Sun Dry offers consumers a vast array of choices. "For those watching their waistlines, we have sun-dried tomatoes with no oil, just bagged on their own and ready to eat as a healthy snack. There's also a range of related products, such as sun-dried tomato spread, salsa, garlic and pesto."

pb

toes generally don't lend themselves well to advertising or promotional initiatives, retailers ought not construe that to mean that Roma, which are particularly popular among customers on "almost every shopping purchase," shouldn't be advertised at all. In fact, he encourages retailers to build a prominent display to tap into their popularity. Ultimately, that helps them achieve two things: It routinely drives sales of less expensive varieties of tomatoes while allowing retailers to focus advertising on more premium and gourmet tomato items.

Furthermore, Munger recommends placing gourmets and premiums in ads to stir attention and generate excitement, and positioning them higher in displays, where they'll be nestled at an ideal eye level. The aim, of course, is to pique shopper curiosity and compel consumers to consider tomatoes

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they might not typically choose. That's not always easy, since research shows the majority of shoppers aren't all that adventurous and might confine their willingness to pay several dollars a pound for a tomato to only those with which they're familiar, explains Munger.

Maybe, but Jim DiMenna, president of JEM-D International Partners LP, an expert in the greenhouse industry, based in Leamington, Ontario, Canada, notes that retailers perpetually stake out new tomatoes, down to the shape, color and size, to accommodate

those who embrace the opportunity to sample something new. "Consumers are attracted to products that are different," he asserts. "They'll take it home and try it. If they like it, of course, it could mean repeat business for a retailer."

When it comes to marketing Heirloom tomatoes, Peter Kroner, director of business development of Eli & Ali's Love Tomatoes, a Brooklyn, NY-based specialist in organic and upscale produce, recommends including point-of-sale signage to illustrate an Heirloom tomato's heritage. "An Heirloom toma-

Reader Service # 5

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"You have various items out around the produce department, and within those items, you might have little recipe cards for Bruschetta, or ways for using peppers and sausage, which drives consumers to other departments and maintains a presence at a destination category. It's a way to give consumers ideas."

— Doug Kling
Village Farms

to is a legacy providing the nomenclature of the variety, particularly when you are selling an item many people don't know," he says. "Consumers might look at an Heirloom tomato and say it is misshapen or odd-looking, but once they taste it, they will know how good it is and they'll always come back and buy it, regardless of the price."

"Retailers get too hooked on size," insists Fried DeSchouwer, managing partner of Greenhouse Produce Co. LLC, headquartered in Vero Beach, FL. "Why are six small tomatoes not as good as four large tomatoes? You go into a retail store today and see all these large sizes of fruit and wonder whether these guys figured out that you throw half of it away."

GOOD TASTE

Meantime, while Munger of Andrew & Williamson observes, "Typical Americans think tomatoes should be red and taste like Thousand Island dressing," over the last several years, he agrees that the industry has improved in as far as providing new types of highly flavorful tomatoes. "Over the past 10

years, we've seen a tremendous increase in new varieties, including value category items, such as new and improved Romas and round tomatoes," he admits. "We see a lot of new specialty tomatoes that really focus on high flavor." However, Munger says the industry can do a better job as shippers and retailers, as well as in merchandising, to help communicate what consumers expect from tomatoes.

Speaking of displays, a number of retailers lean toward larger ones, which can help trigger "impulse sales," a key tool in a sluggish economy where items like tomatoes

"It's a matter of building that extra alternate display and cross-merchandising with other items in produce. We want to get items out there where people are going to notice them."

— Dick Stile
Redner's Markets

might not always make a customer's shopping list, says Dick Stiles, produce director of Redner's Markets, a 38-unit chain based in Reading, PA. "You have to wow consumers as soon as they walk in the front door."

More than a "small footprint set off in the corner, retailers need significant positioning with a great tomato offering in their department to help fan the likelihood of an impulse sale," advises Sun World's Robertson. Consumers are making many decisions while they're in the department, he notes. Displays with a table, spread out, perhaps over 20 square feet, can go a long way in helping retailers tell consumers about their department and communicate that a product, such as a tomato, is a good value item, he adds.

Typically, along with demonstrations, Kroner recommends building waterfalls with his company's high graphic boxes so that the display looks like a waterfall of

tomatoes, built from the floor up. "It really catches the eye of consumers," he remarks.

ALL IN THE PACKAGING?

Some industry experts believe the idea of packaging tomatoes is a better decision than others. For example, Stiles says that with little exception, his store sells tomatoes loose rather than packaged because, "people like to touch them and look at them whole before a purchase." However, he acknowledges benefits to packaging, such as its role in minimizing shrinkage.

Packaging can bear elements like color breaks, which can be eye catching, and enables retailers to convey information that can help educate consumers, notes Munger.

While DeSchouwer also extols packaging's role in preventing shrinkage, he says when items are packaged, some shoppers might actually walk away because they feel that packaged produce conveys "a sense of cheapness, or that something must be lurking inside the package," which retailers are trying to camouflage.

Either way, packaging only goes so far,

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Packaged tomatoes not only help minimize shrink, but they also provide versatility in merchandising in small spaces and optimizing color breaks.

Apache's Canelos emphasizes. "You can bag up an item like a tomato as nice as you want, but at the end of day, the grower, the middle man and the retailer have to work together to make sure that when it's on shelf it is something the consumer really wants." He believes, for the most part, that happens, yet says some retailers are better at it than

others. "To me, with all this fancy packaging, you put a good product out there at the right price, it'll sell itself."

If retailers package tomatoes, Eurofresh's Cassius would opt for an earth-friendly clamshell, especially for some specialty varieties, which people want to know more about. He believes packaging helps retailers more

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effectively convey information including recipes, nutrition and the history of a product.

DIALING INFORMATION

The more information the better, echoes Marvin Vargas, director of produce at Milam's Markets, a 5-unit chain based in Miami Springs, FL. "People come to a store with some knowledge, but don't know everything about where a tomato comes from or how it tastes." Armed with even a brief history, shoppers can at least know the basics, the best tomatoes and the price they should be, he notes.

Sun World International's Robertson is also a "big fan of telling the story." He thinks it's a real opportunity for a retailer to talk about why a product is uniquely different or special, as well as its various benefits, such as health and potential meal solutions.

Advancing that concept, retailers should include a few simple sound bites in signage, like "sweet," "tangy," "delicious" and "good as a snack" in signage, Andrew & Williamson's Munger suggests. "I'm just talking about quick messages that help give consumers an invitation to buy, which I think they're looking for. I don't think it takes much." However, he believes the industry hasn't done enough of that. "Part of the challenge is that we, as growers/shippers, don't have a tremendous amount of imagination on how we design our packaging or use it to communicate strong messages." Still, he points out that retailers have worked hard over the last decade to streamline and clean up their stores so that they're not "loud" in terms of conveying their messages. That, in turn, can make consumers more secure about the products they buy, Munger says.

DEMONSTRATION'S THE TICKET

It's one thing for consumers to see how good an item like a tomato looks, but another for them to experience how good it actually tastes, which can be just the ticket for product introductions, declares JEM-D's DiMenna. "The first thing a customer will say is, 'I love the way it looks, but what's it taste like?'" As a consumer, DiMenna notes he's taken home products that he's liked the looks of, but not the taste. "The worst thing you can do is disappoint consumers when they take it home."

A retailer can stock and price a tomato, but if customers have no idea how it tastes, they'll probably just walk away, adds Redner's Stiles. "You have two or three seconds to make that sell. Someone looks at your display, but something has to attract them." He asserts it's important for customers to

sample tomatoes, such as Heirlooms and clusters, so that they can taste the difference between them and other varieties. "The customer has to know the value there versus your regular vine-ripe tomato." He believes that once they experience the difference, more customers will be convinced to make a purchase.

In a sense, however, taste demonstrations also can be particularly helpful, notes Greenhouse Produce's DeSchouwer. For example, as much as retailers want to emphasize flavor and differentiate between

items, he contends a number of retailers are nervous building up one variety at the expense of another.

Furthermore, properly executed taste demonstrations are expensive, observes Cassius of Eurofresh. He'd rather send tomatoes to consumers in a kind of sample box, where they'd be pre-washed and ready to eat. The box could include coupons to generate incremental sales, he notes. "Retailers want to get people to try these varieties or use them in recipes so they'll find that there are better tasting ones out there than they're

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Cross-merchandising tomatoes with useful ingredients, such as fresh basil and mozzarella cheese, drives impulse purchases and lift sales across the board.

used to." They might cost a little more, but if people like what they taste, they could be more apt to return to the store and buy them, he adds.

Still, everyone likes to save money. So rather than single product demonstrations, Robertson of Sun World International would seek partners from other categories to create cross-promotional opportunities. "Let's say we can get someone from the cheese side of the equation, so there'd be a grape tomato and cheese sampling and we could manage some of the cost together," he details.

Another way for retailers to keep consumers up to speed is with shelf-talkers, which include a brief product history to help them overcome a reluctance to purchase a new or different-looking tomato. "The more information you can provide, the more you can educate your consumer, the higher sales you'll see," Stiles comments.

While he agrees shelf-talkers have their place, Robertson is not keen on making the investment in putting one together unless requested by a retailer.

CROSS-MERCHANDISING

Meanwhile, Andrew & Williamson's Munger prefers another sales method, cross-merchandising, which he calls an opportunity to encourage consumers to expand how and when they use tomatoes. As it is, rarely are tomatoes displayed beyond the produce area, which can be a missed opportunity. Getting more creative is part of an evolution for us collectively, he notes. "We have to spend more time using the display area as a communication tool to increase sales."

Doug Kling, senior vice president of marketing and sales at Eatontown, NJ-based Village Farms LP, says cross-promotion makes it convenient for consumers to buy more products that interrelate with one another. "You have various items out around the produce department, and within those items, you might have little recipe cards for Bruschetta, or ways for using peppers and sausage, which drives consumers to other departments and maintains a presence at a destination category," he explains. "It's a way to give consumers ideas."

Cross-merchandising also can help retailers create a meal solution and trigger a sale, contends Eurofresh's Cassius. "A lot of consumers are stretched for their expendable income and might not be eating out," he notes. "But they're still looking for a treat, as if they were going to eat out."

Indeed, Stiles reports his store positions tomatoes just outside its meat aisle, an obvious destination point. "It's a matter

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Reader Service #19

of building that extra alternate display and cross-merchandising with other items in produce," he explains. "We want to get items out there where people are going to notice them."

Because of their versatility, FTC's Winters says the committee recommends merchandisers cross-promote Florida tomatoes with other sandwich and salad items, especially those that offer an eye-catching pop of color, such as avocados or garlic, which work to highlight the freshness of the produce. "At the end of the day, shoppers are looking for menu ideas and sandwich and salad combinations seem to work really well for an all-around higher cashier ring," she says.

"Another idea that's been successful among a number of retailers in Europe is attaching an average price to all tomatoes, which says, 'Look! The price is \$1.49 for every tomato you can buy,'" says Greenhouse Produce's DeSchouwer. However, he speculates that the "price and margin politics" probably prevent U.S. retailers from duplicating that strategy.

Sun World International's Robertson believes consumers seek different price points and want to see a value in the product they're buying. "I don't think a one-price-fits-all strategy would make the right margin mix for most retailers," he says.

All that aside, Apache's Canelos says effective merchandising will persuade him to purchase an item once or twice. "Merchandising does a good job of getting people to try something. Ultimately, however, it's a matter of retailers offering a product that they consistently back up," he notes.

Milam's Vargas has found that Heirloom tomatoes require special merchandising as well. "They have to be handled with kid gloves and they must be displayed no more than a case at a time due to the rapid rate at which they ripen," he advises. "I put them around with some basil just to bring out the color," which are vibrant even on their own, in shades of yellow, green, purple and black. "They're cool looking, so you just put a big sign in front of them."

Vargas also says he has a huge display of clusters, or the tomatoes-on-the-vine, and he sells tons, daily. Like the Heirloom, he surrounds the clusters with basil and fronts the display with some Mozzarella cheese. "It's one of my best sellers by far," he admits. A premium spot for a premium tomato? Vargas reports in his store, the hydroponic beefsteak tomatoes, otherwise known as premiums, make up his first group of tables, situated next to the clusters. Included on the display are avocados and lemons, which lends color.

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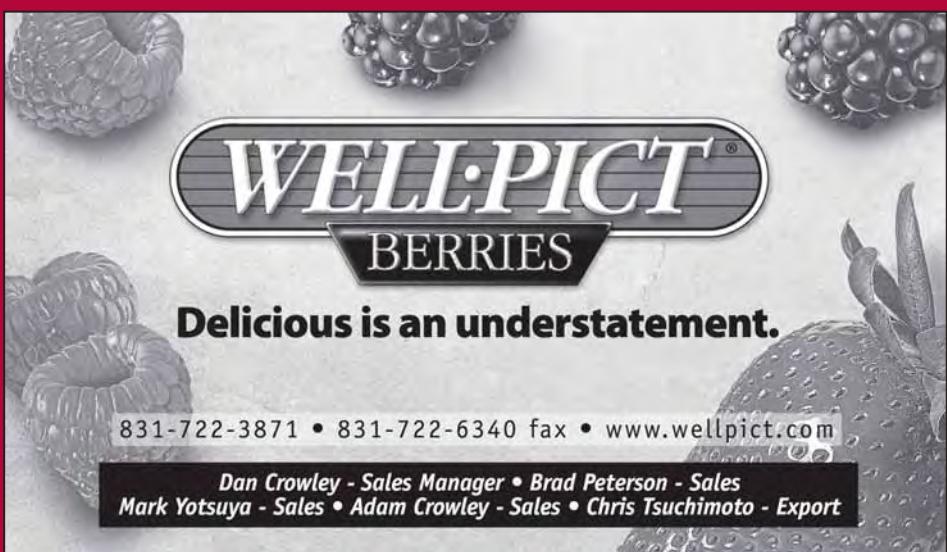
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Reader Service #36

Merchandising Melons For Maximum Sales

When melons are plentiful, they move fast. But don't count out year-round sales.

BY JACQUELINE ROSS LIEBERMAN

With seasonality a thing of the past, consumers expect to see their favorite melons year-round. "What sells the best is a melon rack, similar to an apple rack," says Chris Elsie, president of Pura Vida Farms LLC, in Scottsdale, AZ. "There should be a destination point in the produce department for melons."

Certain melons are must-haves. "Throughout the entire year you should have cantaloupes, watermelon and honeydews," advises Elsie. When it comes to these three, it is crucial to think, 'If I'm a retailer I have to have the fruit year-round, because my competition will!'

But for other, lesser known melons, only stores catering to ethnic consumers who regularly use these should worry about carrying them during the winter months. "We think of melons in the summertime, so we encourage everybody to carry mixed melons during June and July," explains Elsie. "Those really are a seasonal item that works best in the summer. During those months, they sell like hotcakes because people are thinking about melons. You're trying to create excitement, and mixed melons create that."

Publix Super Markets Inc., based in Lakeland, FL, changes the number of varieties it offers consumers according to the seasons. "In peak season we offer nine different varieties," reports Maria Brous, director of media and community relations. "On a year-round basis, we offer four varieties. We want to offer our customers variety and quality selection, thus the two different offerings."

Like the number of varieties, the amount of melons at each store should vary accord-



Insiders believe cantaloupes, honeydew and watermelons are must-haves year-round.

ing to season. "I think retailers should carry what they feel they can move without waste," says Brent Harrison, first vice president of the Plant City, FL-based National Watermelon Association and president of Al Harrison Co. Distributors, located in Nogales, AZ. "During promotional periods they should carry quite a bit more."

Despite the year-round availability of melons, there are times when supply is extremely low. "In the winter months, particularly, there may be times when melons are in short supply, due to a combination of weather issues in the growing areas and in parts of the United States," explains Gordon Hunt, marketing director for the National Watermelon Promotion Board, in Orlando, FL. "This winter is a good case in point,

when excessive rain in parts of Mexico and blizzards in various parts of North America have caused regional shortages for brief periods of time."

Even during the low points, melons should never disappear from produce departments entirely. "Since we have a year-round product, we would love to see that space be there all year and would like to see retailers offering whole melons there all year," asserts Harrison, "not just value-added and fresh-cut melons, although these products are appealing to consumers when prices are higher and smaller pieces are more affordable."

Likewise, smaller melons sell better when prices spike. "You might go from a big watermelon to a personal melon during



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"There is no generic 'should' when it comes to the percentage of fresh-cut to whole melon sales. Each chain makes its own decision based on the realities of its own operations. Fresh-cut, in general, however, makes up an increasing percentage of overall melon movement and will probably increase further as year-round sales continue to grow."

— Gordon Hunt
National Watermelon Promotion Board

the wintertime because costs go up," reveals Elsie of Pura Vida. "The quality is outstanding on these and the price point might not be as shocking as a big melon in the wintertime."

FRESH-CUT OR WHOLE?

When it comes to the ratio of cut melons to whole, price and seasonality matter.

According to Harrison, "It's a high ratio of fresh-cuts to whole melons in the winter months. In spring and summer, it falls off and more whole melons are sold during that period."

Retailers must decide what ratio works best for them. "There is no generic 'should' when it comes to the percentage of fresh-cut to whole melon sales," says Hunt. "Each

chain makes its own decision based on the realities of its own operations. Fresh-cut, in general, however, makes up an increasing percentage of overall melon movement and will probably increase further as year-round sales continue to grow."

"It's knowing your clientele and knowing what you're trying to achieve," Elsie explains, whether that's a lower price point or more convenience. "It's all about figuring out what the perfect mix is for your store."

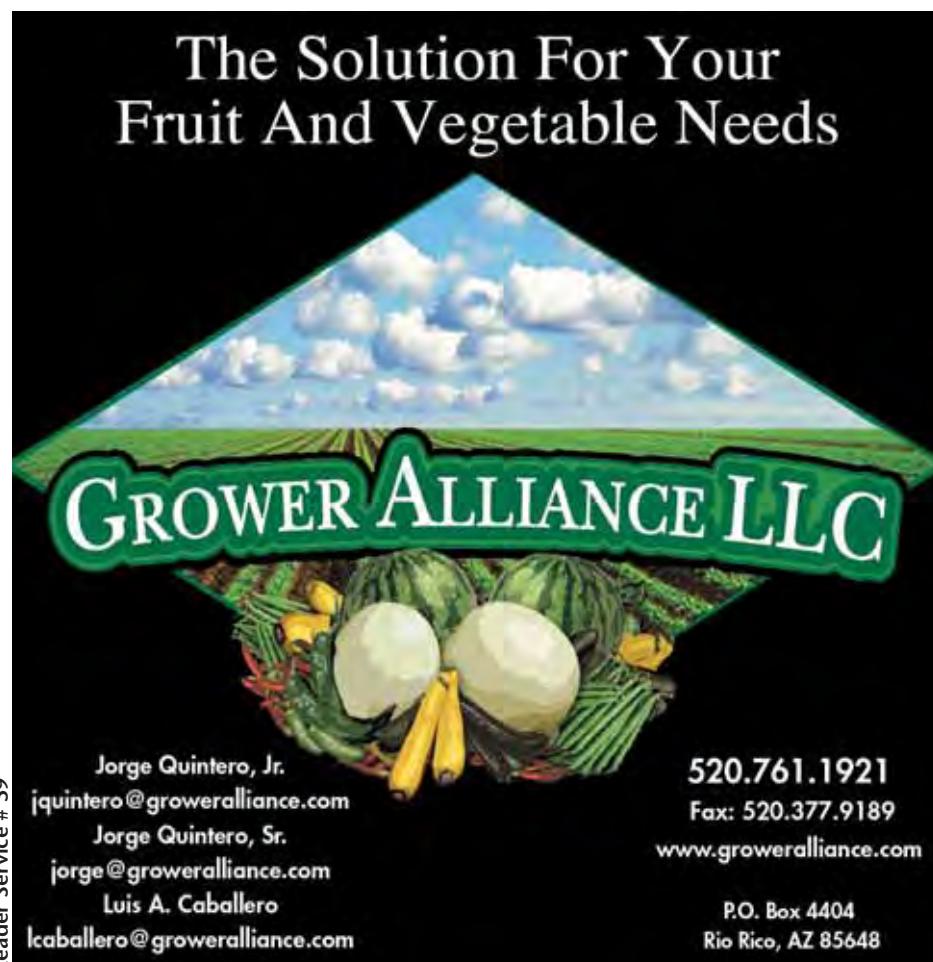
There are always consumers who prefer to buy fresh-cut melons to whole. "You don't want to miss a customer. There's no doubt that you will increase sales by having fresh-cut," says Elsie.

And while whole melons can be a bargain in-season, "Fresh-cut, on the other hand, should always be marketed on the basis of convenience and taste," notes Hunt of the National Watermelon Promotion Board.

Fresh-cuts must be displayed differently. "You've got to have the fresh-cuts in a cold case," asserts Elsie. "You can't have them sitting together with whole melons. It just doesn't work. There are a lot of studies that show putting it on ice degrades it."

For this reason, Publix displays more whole melons that cut. "Anytime we have

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Reader Service # 46



Displaying overwrapped melon halves help boost sales by showing customers the fruit is ripe and ready to eat.

cut melons in a display, for food safety reasons they have to be kept at 40 degrees," explains Brous.

Displaying a few cut melons with whole melons can be beneficial. "The one thing that really sells is if you cut a melon, over wrap it and put it on display," says Pura Vida's Elsie. "If I see a cut melon in front of me that looks nice, I'm going to buy a whole one, or maybe a half at the very least."

TIMING IS EVERYTHING

"It is crucial to have the items that consumers want to have all the time," emphasizes Elsie. "But promoting is a different story. There is a time periods — June, July and August — when melons sell the best, so those are the three months when you should be pushing them. The biggest melon displays should be in the summertime. I think people really get excited about the seasonality of the fruit, and that's when the quality is the best."

Because this is peak season for many produce items, "In the spring and summer, there's a lot of competition for that space with other commodities," says Harrison of Al Harrison. Bins are one way to expand the display space without crowding the shelves.

Consumers respond well to bins, according to Elsie. "Bins and a promotion give people the feel that it's a farmer's market," he explains. Although watermelons are most often sold this way, "If you can do cantaloupes in bins, they sell like hotcakes."

However, when using bins as a display tool, retailers must be ready to move melons fast. "Bins take up a lot of space," Elsie

adds. "You've got a lot of fruit on display, so you want to have an ad."

When prices are low, retailers can use that to their advantage. "In these current recessionary times, whole watermelons are the best bargain in the produce section," Hunt of the National Watermelon Promotion Board points out. "Showing the price on a per-pound basis highlights the value proposition of watermelon, particularly for large families."

"Last year was a phenomenal year for watermelon and it's tied into the economy,"

adds Elise.

"Price is huge for promoting," agrees Harrison. "Coming into Spring and Summer there are ample supplies. If the price is right, retailers can move a lot of watermelons. I would like to see retailers keep low prices throughout the Spring and Summer, not just holidays. The more they move, the more profits they make."

The Spring and Summer are also the perfect time to highlight locally grown melons. "The locally grown aspect has been popular with chain stores," adds Harrison.

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A great display can make melons more appealing. "The size of a watermelon display can fluctuate from a few simple facings of whole and cut watermelon at the front of the produce section to a massive multi-bin display out on the sidewalk," notes Hunt.

But displays are just the beginning. For retailers willing to get creative, the possibilities for marketing opportunities are endless. For example, the National Watermelon Association's Watermelon Queen — the winner of a national pageant who represents the association — is available for special events. "Kids especially get a kick out of her," says Harrison of Al Harrison Co. "People come up and ask her questions." In addition to a national queen, there are also state chapters with their own local Watermelon Queen.

When it comes to watermelons, "Aside from large displays, which always work, produce managers should look for ways to feature value and to remind shoppers of the great taste of watermelon, even if it is not on their list that day," says Hunt. Some ideas that he suggests are seed-spitting contests, watermelon-eating contests, carving contests, recipe contests and a watermelon race day with tricked-out watermelons wheeled down a ramp.

To remind consumers of their great taste, demos help sell melons, as do recipes, such as fresh watermelon salsa, according to Harrison. "I would love to see retailers put recipe cards out there with their displays. That would be a great way of promoting different uses for watermelon," he maintains.

Summer holidays have traditionally been a time to promote melons. "The three holidays that lend themselves most to displays are Memorial Day, Fourth of July and Labor Day. During this time, we place large bin displays of seedless watermelons in our stores," says Brous of Publix. In addition, displays such as these are used for melons during August as part of the retailer's ongoing At Season's Peak promotion.

Retailers can take advantage of other holidays, as well. Harrison recalls an especially memorable sticker used during Halloween that said, "Save a pumpkin. Carve a watermelon."

But it is a mistake to promote only on holidays, reminds Hunt. "Produce managers need to avoid the tendency to focus only on the peak periods and holidays," he says. "Luckily, watermelon is a versatile product and can be featured and utilized in many different ways. Watermelon can be combined with different products and jointly

"The three holidays that lend themselves most to displays are Memorial Day, Fourth of July and Labor Day. During this time, we place large bin displays of seedless watermelons in our stores."

— Maria Brous
Publix Super Markets Inc.

promoted with items from different departments to fit virtually any time of year and any function."

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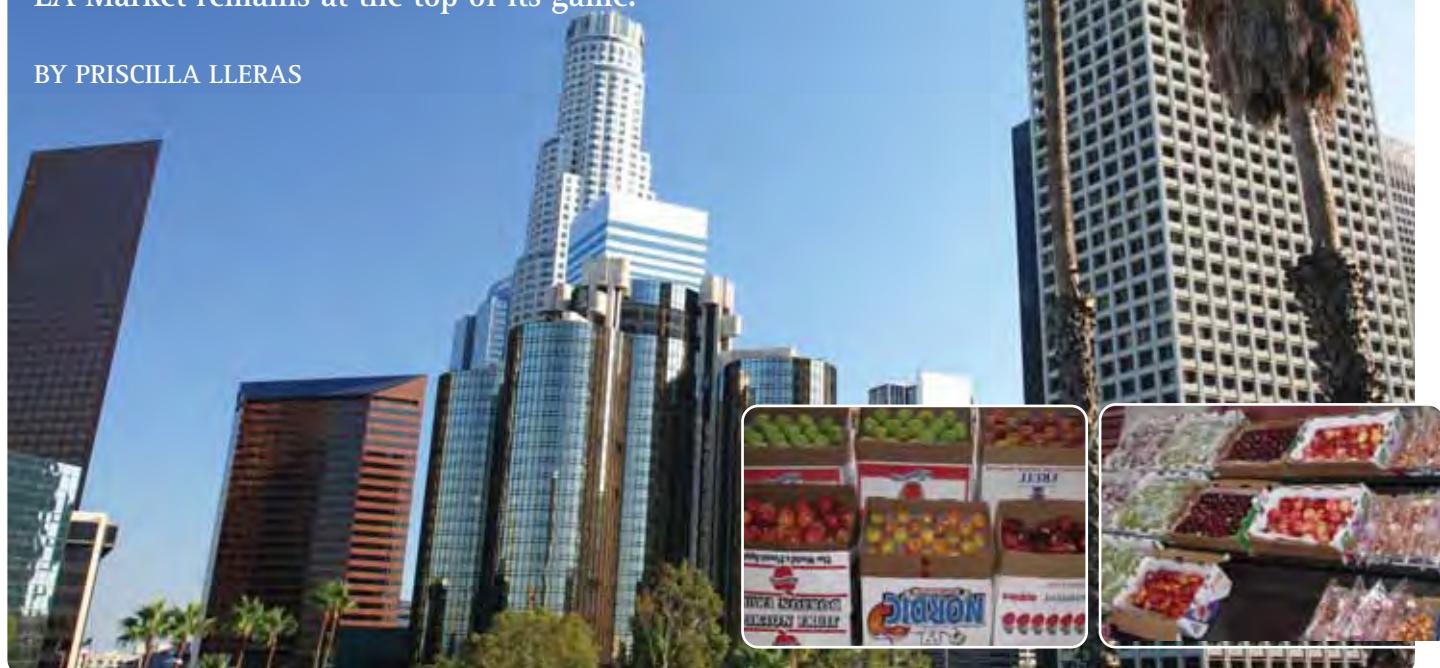
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Los Angeles Looks Toward The Future

Focusing on emerging demographics and serving customers in new and improved ways ensure the LA Market remains at the top of its game.

BY PRISCILLA LLERAS



With the industry's growing focus on consuming locally grown fruits and vegetables, wholesalers in the Los Angeles market area are poised at the right place at the right time. The Los Angeles market is packed with high quality fruit and vegetable wholesalers, which create an all-encompassing market buzz. Whether the wholesaler or distributor is physically located on the actual terminal market on Olympic Blvd. or off-site, there is enough movement in tonnage to fill any customer's orders.

The industry as a whole has been challenged, as of late, due to the economic climate, seasonality of products and overall competitiveness. Nevertheless, the Los Angeles Wholesale Produce Market has been able to endure, offering quality and service to its customers. Richard Flamminio, president at Umina Bros. Inc., states, "This business is changing. We are in a tough market; people are looking for quality and cost savings and at the Los Angeles Wholesale Market, buyers will find good prices, receive top quality product and services that reach door-to-door."

The produce companies at the market proudly display their produce in front of their warehouse doors, and some buyers still walk the market looking for new products, quality and the freshest fruits and vegetables. Emily Fragoso, marketing manager for Coast Produce Co. Inc., explains, "Having a facility on the market, in addition to our company headquarters, gives us an opportunity to showcase our products. For example, independent retailers who only have a couple of stores are an enormous growing retail segment and they can go to the market and find our products there."

"Some people will still walk the market," agrees Alan Pollack, secretary at Coosemans L.A. Inc. "It depends on an individual's buying patterns, which are dictated by the background and the economics of the consumer. For instance, I have some customers who buy like they were in their little hometown in Italy and buy what is available according to the season. We walk the market every day to see what new items are out there and even what should we get rid of."

Dan Lawton, sales manager at Tavilla Sales Co. of Los Angeles, reveals, "These days, the market is mostly visited by regional chain buyers, foodservice buyers and independent Mom & Pop grocery stores."

Wes Liefer, director of PuraVida Farms LLC, in Brea, CA, notes, "Our company is a hybrid model and it fits very well in a market like Los Angeles. We do a combination of different things. Our primary target audience is the retailers, selling the products we grow on an FOB-basis. When it comes to FOB business and our growing deal that serves the national chains that buy direct, they send their own trucks to pick up the product. This is a more traditional procurement for the national chains. However, the Los Angeles market is a whole other ball game; it's completely different than any other market in the country. The majority wants everything delivered and it's not always full truckloads, sometimes LTL quantities and we can do that. We are the grower/shipper, producer and distributor and have the capabilities of deliveries and consolidation services for our customers."

Pollack asserts, "We are the link between the importers and the customers, which is a valuable service these days, specifically due to all the



LOS ANGELES MARKET PROFILE



Tania Perez,
Umina Bros. Inc.



Omar Reynaga.
Coosemans L.A. Inc.



Tom Hall,
Coast Tropical



Tom Rozzana,
Coosemans L.A. Inc.



Jim Krouse,
Eureka Specialties Inc.



David Weinstein,
Heath & Lejeune Inc.



Laurent Gabrielli,
Heath & Lejeune Inc.



Miles Veda,
Heath & Lejeune Inc.



Jason Yamasaki,
Heath & Lejeune Inc.



Mark Kawaguchi,
Borg Produce Sales Inc.

new regulations that we, as an industry, are subject to."

Dale Firman, vice president and CFO at Coosemans L.A. Shipping Inc., adds, "The

benefit for the Los Angeles Wholesale Market is the volume of high quality fruits and vegetables coming into the market, which assures the retailers they are receiving fresh product and

long shelf-life that they can count on."

Karen Caplan, president of Frieda's Inc., agrees, asserting, "Los Angeles has always been a hub of product availability, as wholesalers and

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LOS ANGELES MARKET PROFILE



Frieda Caplan,
Frieda's Inc.



Ryan Himil,
JBJ Distributing Inc./
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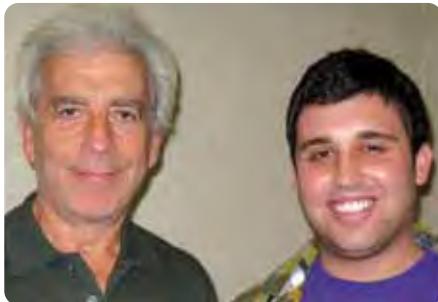
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Borg Produce Sales Inc.



Jesse Garcia,
Borg Produce Sales Inc.



Emily Fragosa and
Courtney Kornegay,
Coast Produce Co. Inc.



Richard and Anthony Flaminio,
Umina Bros. Inc.



Rick and Nick Lejeune,
Heath & Lejeune Inc.



Jimmy Matiasevich, with his son, Jimmy III,
JBJ Distributing Inc./Veg-Land Inc.

distributors in our area have access to fresh produce from all over the world. Also, we are a hub of supply from Japan, Korea, China, Taiwan, New Zealand and Australia. Plus, with access to one of the nation's largest airports — LAX — we can literally ship product to arrive the next day anywhere in the world!"

Jimmy Matiasevich, president of JBJ Distributing Inc., based in Fullerton, CA, points out, "The diversity of offerings that we can offer customers creates a one-stop shop. Plus, we are family-owned and operated, so we are hands-on. We do everything ourselves; you always have one of the family members here doing whatever it takes to get the job done."

The value of one-stop shopping has become increasingly more important to buyers. David Weinstein, in sales and procurement at Heath & Lejeune Inc., explains, "As the cost of diesel fuel and shortage of truck drivers increase and regulations on drivers' working conditions are more and more frequent, transit times grow, making transportation more costly. The days when it was economical for an out-of-town customer to build a truck making between four to 12 stops are gone. They are not economically feasible. The role of businesses such as ours — to assemble a wide variety of products from a wide variety of areas in one place at one time for one truck to pick up all at once and go directly to the destination — becomes more and more valuable to customers."

SUPPLY AND DEMAND

The Los Angeles Wholesale Market is one of the Top 5 markets in the United States, and

it continues to rely on produce grown in its backyard. With mild climates and fertile land, California has the ability to flood the market with locally grown fruits and vegetables that retailers and chefs diligently seek. Nancy Betancourt, director of national sales at Tavilla Sales, recognizes, "Sourcing year-round products, direct grower/partner relationships, quality products and customer service are the key components to effectively and efficiently providing for our customers."

Robert Stauffer, executive vice president and general manager at Tavilla Sales, adds, "We try to partner with customers, creating a win-win relationship."

The market is very specialized in meeting the needs of its diverse consumer base. For instance, the demand on the Hispanic and Asian trade items have continued to increase at the market, as West Coast buyers and retailers are hunting down the merchandise their community demands. Coosemans' Pollack, remarks, "We've seen significant increases with Asian products, specifically with the independent retailers."

Jesse Garcia, sales manager at Borg Produce Sales LLC, states, "Being direct importers and offering a good price and excellent supply out of our facility in Ontario, California shows we are ready to do what it takes and go the extra mile to get the business and provide the customer with better cold chain distribution."

Jim Krouse, president of Eureka Specialties Inc., notes, "We abide by the rules and regulations, which accommodate the clients and provide integrity to our commitment. Specifically,

we adhere to COOL requirements for our entire chain of products; we've implemented it because it is a positive thing."

In addition to mainstream and ethnic produce items, the demand for organic produce has also been increasing over the past few years. As the awareness of organics and the desire to go green have grown in the marketplace, demand has increased, and produce companies are trying to meet the need by stocking the best, most attractive organic lines. What's more, organics are becoming more important to the ethnic demographic as well. Rick Lejeune, CEO of Heath & Lejeune, affirms, "The consciousness of the organic program has really increased in the Hispanic and Asian buying world. Everyone really knows what the organic program is — they see it on TV. However, the prices can still be a barrier, but we believe that we can bridge that gap on a lot of the items."

The Los Angeles Wholesale Market contains some of the most unique organic varieties of produce. "Small to mid-size family farming operations that have been around for 20 to 80 years are our backbone," discloses Weinstein. "They are the ones who grow and produce our food. They are valuable in so many ways, and the fact that they are now coming to us to help them prosper and stay in business gives us the opportunity to reciprocate their efforts and make a contribution not only around the market, but to the mainstream group that is looking for organic marketers to help them to continue to prosper."

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Robert Schueller and Bill Schneider,
Melissa's World Variety Produce Inc.



Jaime Leon,
Frieda's Inc.



Dan Lawton, Nancy Betancourt and Robert Stauffer,
Tavilla Sales Co.

ers and foodservice is at the forefront of every produce company's mind. Specifically, introducing new produce in the fresh, bulk and the packaged formats is one of the growing trends. Robert Schueller, director of public relations at Melissa's World Variety Produce Inc., states, "The Steamed Six Bean Medley is a brand new item to our value-added line of veggies. The other newest items by Melissa's are the steamed red kidney bean, black-eyed peas, seedless lemons and pomegranate arils, which were introduced from October, 2009 to January, 2010."

EVOLVING INNOVATION AND EDUCATION

Building educational programs around their

customers' needs is a growing trend at the L.A. market. Many of the produce companies are advocates of providing additional client services, such as supplying information about new products and partnering with their customers to develop programs that will increase fruit and vegetable consumption. Quite a few produce companies are providing these benefits to the retailer and foodservice industry, believing this additional service equips them with the advantage to sell more produce.

Bill Schneider, director of marketing at Melissa's, states, "We are innovators of products and services. We try to find those items that are unique and different and that place us at a point of differentiation from our competi-

tion. We offer our customers a program of services to assist them in selling more produce. Each program is customized based on what that account is looking for as far as promotions, program goals and merchandising needs."

Many produce companies see this trend of becoming more involved with their clients as a tool that makes them more marketable in a highly competitive marketplace. Schueller adds, "The service is the education we provide. We do a lot of custom marketing for retailer accounts, customized booklets and educational materials to share with retail produce managers and associates in each of the stores. They are able to incorporate those ideas into a new menu or a recipe to offer their consumers in-store."

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LOS ANGELES MARKET PROFILE



Dale Firman, Bob Pollack and Alan Pollack,
Coosemans L.A. Inc.



Left to Right: Brian Murai, Bobby Van Ligten, Jeff Liefer, Debbi Allen, Wes Liefer, Mel Herman and James Murray, Pura Vida Farms LLC

Coosemans' Firman notes, "We assist our foodservice companies with menu planning ideas. We offer suggestions on what products to put out monthly and report on the products that are performing well."

Heath & Lejeune's Weinstein adds, "We offer the customer a wide variety of organic products, but we also encourage the retailers to experiment with other specialty, new, exotic and organic products at prices that are comparable to the conventional items. This way, retailers have the opportunity to introduce a new item and promote the organic program at the same time."

Coast Produce Co.'s Fragoso knows, "Offering turn-key programs for retailers, such as our Coast Organic, Coast Snacking Line, Farmers Select, Coast Caliente and Coast Asia programs, provide a story for consumers. This also allows us to create inspiration for the retailers and their consumers, which is really important to us."

Frieda's Caplan reveals, "Our entire 48-year history is based on educating consumers, retailers and foodservice distributors on new and unusual produce. Recently, the company launched its 5-Star Program exclusively for retailers who are in partnership with us to increase their retail sales."

While the market has several decades of experience behind it, the way of selling produce is evolving, forcing businesses to meet the changes head-on or get left in the dust. Tom Hall, general manager of sales for Coast Tropical, acknowledges, "We are developing more internet-based programs, which allow our cus-

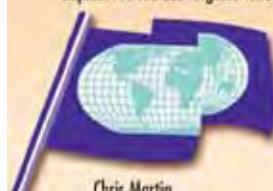
tomers to order online. We believe this is a great help to them. We are also developing new programs as the technology progresses around

us. That said, there are still many buyers who prefer to work by phone and fax, and that is ok, too." Hall continues, "The market has been changing, and you are going to see more and more people come and go. I've seen more changes with the current economy over the last two years than there probably has been in the last 20. Plus, there are more people looking for opportunity. Ten years ago, larger retailers wanted to go more direct with the shippers and growers that they were working with and bypass the wholesale market entirely. However, in today's economy, buyers are calling around to ensure they are staying competitive."

One technological advancement is witnessed in the latest, state-of-the-art ripening rooms. Hall points out, "Coast Tropical has 52 ripening rooms that offers two different levels of ripening. The rooms are designed to ripen or cool all types of produce and provide the optimum environmental conditions for fruit ripening.

Consistency is key. "The attention on consistent, quality products at a fair price and doing the best we can at servicing the customer is still the focus," says Eureka's Krouse. "If you do it, and do it right, the people will buy it and they'll come back to you." **pb**

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Spaghettini Grill And Jazz Club

Produce takes center stage at this long-time neighborhood gem.



Photo courtesy of Spaghettini's



Photo courtesy of Spaghettini's



Executive Chef Victor Avila



This established restaurant in the heart of Seal Beach, CA, relies on fresh produce — locally grown and procured from the L.A. Market, whenever possible — to create delicious dishes. California owners, Cary Hardwick and Laurie Sisneros, have created a chic restaurant that comfortably seats 450 people who are looking for a dining experience overflowing with elegance and charm.

Hardwick and Sisneros opened Spaghettini approximately 22 years ago and have established a dedicated, hardworking team. Sisneros adds, "Spaghettini's mission statement is to create a legendary restaurant that enhances the lives of its guests and employees. We believe that there is no point in working as hard as we do to simply offer an average experience. We hire skilled people who truly care about the guests' experience and we give them all of the tools at our disposal to allow them to be successful. From the smallest heirloom tomato to the ripest jumbo strawberry, every food item served in our restaurant is chosen with forethought."

Hardwick has been working in the food

service industry since he was just 15 years old. His journey has taken him from bus boy to cook and bartender. Following his graduation from Indiana University with a degree in business, he went right back into the foodservice field managing corporate restaurants. Shortly thereafter, at the age of 27, he opened up Spaghettini with his partner Laurie Sisneros in June, 1988.

FOCUS AND PHILOSOPHIES

Spaghettini's Executive Chef, Victor Avila, reports, "Spaghettini's philosophy toward offering fresh produce on the menu is to always source the highest quality produce available and to use organic whenever possible. With produce, we are trying to accomplish making a statement to our guests that we understand that a great meal always starts with fresh ingredients. He continues, "My favorite produce item to use is shallots. I believe they are underrated and yet you can do so many things with them, from sautéing to caramelizing and even including them in many sauces."

Chef Debbi Dubbs works with Spaghettini Grill as its direct liaison chef with Melissa's World Variety Produce Inc, headquartered in Los Angeles, CA. Her primary goal is to get the positive message out regarding the importance of new, unique and creative applications for fresh produce. Dubbs offers demos in the restaurant lobby, taste tests and even cooking classes that feature the newest, freshest in-season produce and presents innovative and creative techniques on how restaurant guests can incorporate produce into their daily life.

Spaghettini's business philosophy is as creative as its menus. The restaurant's focus is to offer its guests a fresh product. Hardwick explains, "We are always looking for original produce — asking ourselves, 'What should we be selling right now? Since we are a single, high-volume restaurant, we have the capability to modify our menu quickly even from lunch to dinner. For instance, if there is a product that is only available for a two-week period, we have the capability to add that product to the specials.' In fact, the menu as a whole has an

LOS ANGELES FOODSERVICE PROFILE



Chef Debbi Dubbs

accommodating flexibility to highlight whatever the season has to offer. It changes up to four times per year, offering diners a diverse and exceptional food experience that contains the freshest and most alluring produce. The restaurant's love of produce is on display during its elaborate Smooth Jazz Sunday Brunch, when nearly 90 percent of the dishes showcase fresh produce, which are often incorporated into creative salads and side dishes.

RELYING ON THEIR SOURCES

Spaghettini's chefs know how important it is to source and maintain high quality fruits and vegetables. Chef Dubbs enjoys walking the terminal markets. "Walking the market gives me a pulse on the freshest produce and seasonal products, as well as receiving insight from Melissa's regarding their new products," she says. "Melissa's sends both Victor — who is responsible for creating all the menus at Spaghettini — and I the newest products so that we get the opportunity to experiment with them and see how we can best utilize them. That's the type of relationship we have with Melissa's."

Describing Spaghettini's criteria for sourcing produce, Chef Dubbs notes, "We like to incorporate as much seasonal produce as we can, specifically from here in California. We have such great farms and such great produce and when you combine that, you get great flavors. We do use products from other countries when they are not in season in California, but for the best flavor profiles we prefer local, seasonal items.

Hardwick adds, "When we have the flavor profile that the chef is looking for with a specific product and the story pertaining to the

farm or farmer regarding the breeding of that product, it's a win-win situation. This is the type of information we give to our guests and they really enjoy hearing it."

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Henry's Market

Produce plays an important role at this Southern California staple.



Since it opened in the 1950s, Henry's Market has grown considerably, expanding to 32 stores strategically located around Southern California. Andrew McGregor, director of produce and floral for all locations, notes, "The Sun Harvest stores were acquired by Wild Oats, along with Henry's in 1999 and merged with the greater Henry's Farmers division during the Smart and Final purchase. These eight stores are located across Texas — two in Austin, three in San Antonio, one in El Paso, one in McAllen and one in Corpus Christi."

McGregor had been with Wild Oats for 15 years prior to its acquisition by Henry's and since then, has worked at Henry's for another five years. His 20 years of knowledge and experience in the retail industry provides the sort of understanding and expertise that equips Henry's produce departments with excellence, loyalty and commitment to its customers. To ensure top-notch service, McGregor visits four

to five stores in California each week, meeting with produce department managers and associates to get customer feedback and identify new opportunities to further enhance consumers' shopping experience.

Henry's is so focused on fresh fruits and vegetables that the produce department accounts for anywhere from 25 to 30 percent of each store. McGregor remarks, "Produce was the foundation of the company more than 50 years ago and continues to be one of the driving forces behind the brand. Henry's built its Southern California reputation by offering fresh, high-quality produce at unbelievable values. We've built the business around the ability to source a broad range of great tasting and local items that can be quickly transported from the field to the sales floor. We frequently offer customers product that has been harvested within the last 24 to 48hrs. Creating a destination for fresh produce and offering products relevant within each of our communities have been one of the ways Henry's has devel-

oped such a loyal customer base."

SOURCE AND SUPPLY

Henry's Market routinely takes advantage of seasonal, locally grown products from California. McGregor reports, "Right now, close to 80 percent of our produce on the shelves is local, California-grown." He adds, "With our extensive history in the Southern California market, Henry's has developed numerous strong relationships with local, high-quality growers and shippers. For example, we have a very strong local program in San Diego with Carlsbad-grown strawberries. The berries are delivered up to seven days per week directly to each of our San Diego stores within hours of being picked. The employees and customers know to expect these high-quality berries for the duration of the Southern season." He continues, "In addition to this program, we've developed a local program with a couple of Irvine farms that are able to provide locally grown berries to our Orange County locations during the same

LOS ANGELES MARKET PROFILE



Winter/Spring season. It is our goal to support this network of farmers whenever seasonally possible and to continue building new relationships with the variety of excellent growers within each of our select markets."

Clearly, Henry's places an emphasis on long-standing grower-supplier relationships. McGregor remarks, "Relationships with different growers, both domestically and internationally, allow us to provide our customers with high-quality produce at a great value. Our sourcing principle is diverse and specific by store, particularly based on consumers' needs and community demand. We also see the importance of sourcing imported fruits and vegetables as they add to the variety and assist us in our efforts to meet our customers' needs."

PRODUCT POSITIONING

Creative and purposeful merchandising is a priority at Henry's. "Maintaining a unique approach with display practices gives our customers the farmer's market feel and an excellent shopping experience," explains McGregor. "We are dedicated to managing cross-merchandising carefully to ensure its relevance to the theme and added-value to the display. When not coordinated properly, I've found cross-merchandising can be more of a deterrent to your merchandising and sales strategy than a support. Our different department merchandising teams work together to consistently communicate cross-merchandising ideas and expectations weekly to the store teams and help monitor and support Best Practices during all store visits. One recent example of a coordinated cross-merchandising event was in support of this past Valentine's Day," he points

out. "Champagnes from grocery, chunked chocolate from bulk and pound cakes from our bakery department were tied in with fresh strawberries in entryway displays, providing a consistent holiday theme with items that com-

plemented each other and hopefully drove impulse sales and basket size."

Henry's also provides a specialty category that includes 80 to 100 different SKUs concentrated on higher end produce. McGregor adds, "Our customers prefer variety and quality versus price and value, so we make quality our main driving point. We also have value-added produce selections, which offer diversity in products and quantities."

Henry's Markets have experienced success within the organic market as well. McGregor reports, "Actually, we have expanded our organics selections. We believe that organics are a priority for Henry's. The supply is driven by consumer demand and we see potential growth in organics."

pb

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Effective Walnut Marketing

Retailers shouldn't wait for the holidays to promote walnuts as a tasty, healthful snack and ingredient.

BY JACQUELINE ROSS LIEBERMAN

Popular for baking, snacking and as a health food, walnuts are a great match for the produce department, according to Stephanie Blackwell, president of Aurora Products, based in Stratford, CT. Compared to other nuts sold here, "Walnuts are pretty high on the scale," says Blackwell. "Surprisingly, organic walnuts are very popular for us and are one of our 25 best sellers out of 250 items."

Blackwell believes that walnuts are a good fit for produce. "First of all, walnuts are full of nutritional incentives and are accepted by the FDA as an aid to reduce cholesterol levels. Secondly, they taste great and are a good snack. Third, they are great for baking and also an excellent cooking ingredient in veggies and stuffings. Fourth, you can use them as a topping on your favorite salad. Most of these ingredients are located in the produce section of stores."

Like other produce items, walnuts contribute many beneficial nutrients to the diet, according to the Folsom-based California Walnut Commission, including "good" fats and antioxidants. "Walnuts are a great item to carry, as they are perfect for family gatherings during the holidays and have many health benefits, including Omega-3," remarks Jeff Ngo, director of marketing for San Francisco, CA-based Diamond Foods. "They are the perfect complement to other items in the produce aisle. They are ideal for the produce department because of their freshness. They are a natural item straight from the tree. In addition, in-shell walnuts sell extremely well in the produce department, especially during the holiday season."

ANY TIME OF YEAR

During the fall and winter months, just



Walnut sales can be increased by giving consumers more information on usage.

after the California harvest, most retailers traditionally ramp up their promotions. Maria Brous, director of media and community relations for Publix Super Markets Inc., located in Lakeland, FL, reports, "We purchase only new crop each year from Diamond Nuts, which is the largest supplier of walnuts in the United States. Shelled walnuts are part of an ongoing promotional strategy we exercise at Publix, and as of most recently, we have introduced shelled walnuts into our line of Publix private label snacks."

Brous adds, "Shelled walnuts are an important ingredient to many holiday recipes. During the months of November and December we expand our offering

through secondary merchandising. Often times, the shelled walnuts are tied in with the holiday lobby display in addition to special bin displays we send to retail specifically for the holidays."

To prepare retailers, Aurora's Blackwell reveals, "During holidays, we offer or product in shippers and display-ready cartons. During the rest of the year, we keep them as part of our normal plan-o-gram." However, she points out that walnut consumption is certainly not limited to the winter holiday season. "We sell walnuts in produce year-round. People are always eating them as snacks, baking with them and using them as toppings for salads," she says. For most of the year, she recommends dedicating one or

IN MEMORIAM

GEORGE JOHN ZANINOVICH

NOVEMBER 25, 1959 - MARCH 6, 2010



George Zaninovich was a proud farmer of table grapes. He worked with his family business Vincent V. Zaninovich and Sons (aka V.V.Z) from Earlimart, California. He loved to grow grapes and he loved the produce business in general. He had a passion for everything that filled his life.

He was a good friend and he loved everyone that he came in contact with. He was a kind man and he loved his children and his family. He is survived by his mother Ina Zaninovich, his two brothers Al and Nick Zaninovich and his children Andre and Jewelee Zaninovich.

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two shelves to walnuts in their various forms, which include walnut halves, walnut pieces and chopped.

To encourage sales year-round, Virginia Zimm, president of Mississauga, Ontario-based Faye Clack Communications Inc., which represents the California Walnut Commission, suggests retailers "build permanent displays in the produce department and build satellite displays throughout the department where they complement other produce items. Create displays that suggest a fruit platter would not be complete without walnuts. Suggest a salad is not complete nutritionally without walnuts. Suggest steamed vegetables would be a bigger hit with the family if crunchy roasted walnuts were added as a topping."

TIPS AND TRICKS

A major component of that strategy is cross-merchandising. "Cross promotion works very well," asserts Zimm. "For example, cross promote walnuts with pears, apples and cheese and support that promotion with POS, including recipe cards, entertaining tips and nutrition information. Companion placement often works to stimulate sales for both products. For example, display walnuts with bagged salads as the 'healthy crouton.'"

The size of the display is less important than what the walnuts are displayed with, according to Zimm. "I don't believe it's a matter of optimum space, it's a matter of where they are featured in the department and with what other produce items. If we know that lettuce is the No. 1-selling category, then perhaps we should cross promote walnuts with the No. 1 SKU we know people buy," she explains

"I don't believe it's a matter of optimum space, it's a matter of where they are featured in the department and with what other produce items. If we know that lettuce is the No. 1-selling category, then perhaps we should cross promote walnuts with the No. 1 SKU we know people buy."

— Virginia Zimm
Faye Clack
Communications Inc.

tive display that has a simple message, while highlighting the benefits of walnuts."

Pricing should depend upon the walnuts themselves, whether they are packaged as premium products or as commodities. "Navel oranges are more expensive than juice oranges," Aurora's Blackwell explains. "Walnut halves are more desirable than walnut pieces, unless you need chopped ones for baking."

"Walnuts should be priced competitively, not deeply discounted, which diminishes their value, or too high for consumers not to consider, but reasonably priced in comparison to other nuts," advises Zimm. "We want the consumer to buy based on walnut attributes. We want them to believe it is a 'must-have' on their shopping list, for their health and enjoyment."

For the best shelf-life, walnuts should be stored in airtight packaging, away from foods with strong odors and out of sunlight, according to the California Walnut Commission. For this reason, retailers selling walnuts in bulk need to keep a close eye on turnover and proximity to other foods. "Walnuts will last for up to nine months if kept in a dry, cool environment away from the sun, but humidity will quickly spoil them," warns Blackwell. Most walnuts in the produce department are raw — not roasted — which is an advantage because roasted nuts have a shorter shelf life, she details.

For storage up to six months, the Commission recommends refrigerating in airtight packaging at 32 to 41°F 65 percent relative humidity. For storage longer than six months, they recommend keeping them in the freezer at 0°F. "It would certainly make for a better eating experience if produce staff told the consumer walnuts should be stored in the refrigerator if they are not being consumed immediately," notes Zimm of Faye Clack. "But that messaging could be presented at display level. Any information you can offer the consumer to enhance the eating experience is a smart move whether it's a produce clerk relaying the information or with POS."

This information should be relayed to staff, as well. "Retailers need to be educated, too," reminds Zimm. "Best care, handling and storage and merchandising practices will be rewarded by repeat sales," says Zimm. "Walnuts should be kept in the cooler prior to displaying them in the department. Perhaps to convey this messaging further, walnuts should be displayed on the refrigerated counters/display decks."

Most importantly, Zimm says, "It's all about educating the consumer. Tell them what they need to know to create the optimum eating experience."



Aurora sells walnuts year-round.

FLORAL WATCH

TRANSITIONS



ROCKET FARMS, SALINAS, CA

Clint Bishop is the newest sales team member at the second largest greenhouse in California and seventh largest in the country. He is involved with key accounts sales, new product development and enhancing the company's marketing for its USDA-certified organic culinary herb and vegetable line. Bishop's extensive nursery experience will be tapped as he also assists with sales strategies for poinsettias, orchids, calla lilies and mums.

ANNOUNCEMENT



ONTARIO GREENHOUSE DIRECTORY & BUYER'S GUIDE AVAILABLE

Niagra Economic Development Corporation, Thorold, Ontario, Canada, has published the 2010 Ontario Greenhouse Growers' Directory & Buyer's Guide with a distribution of 7,000 copies. This directory is industry specific and available to buyers, suppliers, government agencies, trade and industry associations who are interested in sourcing Ontario greenhouse products and supplies.

Reader Service No. 336

NEW PRODUCTS



INSTANT FLORAL GIFT

John Henry Co., Lansing, MI, introduces a water-resistant paper pot container that enhances plants and arrangements making them instant gifts. Available in 4- and 6-inch sizes and 14 inventory design choices, the Envi Cachepot includes the coordinating gift tag. Packed 24-per-case, the easy-to-store containers arrive flat or formed. The inside pot lock secures the plant. Made in the USA of poly coated recyclable stock with a UV coating.

Reader Service No. 338



PASSION GROWERS INC., DORAL, FL

Ben Pauley has joined the premium rose provider and importer and is working with sales and marketing teams to increase value to the company's customers. Pauley's experience in the floral industry includes operating retail floral shops, managing large distribution and procurement operations and creating merchandising and marketing plans for large national companies. Pauley's floral career began with the Kroger Company more than 30 years ago as a store manager and later as a produce and floral specialist.



KENYAN ROSES SOLD IN THE U.S.

Riverdale Blooms Inc., Maitland, FL recently opened its U.S. sales and marketing office in Central Florida. Originating in 2005, the family-owned and managed business started growing greenhouse cut roses for export from Thika, Kenya, East Africa. The company is certified by MPS-ECAS and has been awarded an MPS-A label, demonstrating its vision to grow roses sustainably and with minimal impact on the environment.

Reader Service No. 337



SAY IT WITH A SONG

Galleria Farms, Miami, FL, introduces Singing Flowers — bouquets featuring a sound device pick that delivers more than 200 plays of a 20 to 30 second segment of a song appropriate for the occasion. Sound device picks for Mother's Day, Happy Birthday, Halloween, Christmas and Valentine's Day are now available. Flowers are shipped in a colorful display-ready box and colorful in-store POP material is offered to retailers.

Reader Service No. 339

Selling Licensed Floral Products

Cartoon celebrities have sold carrots, Clementines and cherries in produce departments and bakery profits from all those character-laden cakes. What does it take for floral departments to benefit from selling licensed products?

BY JON VANZILE

SpongeBob SquarePants is no stranger to the produce department. Sesame Street's Elmo has been seen in supermarkets selling sweet cherries, and soon, some produce departments will feature the movie character, Shrek, promoting the sales of Vidalia onions. What about the floral department? What should retailers evaluate to determine if offering licensed floral products is a valid draw to increase sales?

Licensing floral products seems to be the smart cousin to branding. Retailers capitalize on a well-known, existing trademark or name to help attract new buyers and stimulate sales. But in interviews with growers and distributors who have tried to license floral products, the reality is somewhat different. It turns out licensing is more expensive, more difficult than and perhaps not as effective as they had originally hoped. Yet, that's still no reason to give up. Under the right circumstances, supporters believe licensed floral products can still increase sales and profits. The trick is determining those circumstances.

THE LICENSING CHALLENGE

Licensing has a fairly well established background in produce, where fruit and vegetables bearing cartoon characters have been enticing kids and their mothers for years. Based on this, it seems as if it would translate well to the floral department. There is a key difference, however: the customer.

At Dos Gringos — A California Flower Company, based in Vista, CA, president Jason Levin launched an ambitious project to license popular kids' Nickelodeon characters including Dora the Explorer and SpongeBob SquarePants. Dos Gringos worked out a three-year licensing deal for national rights, plus a possible extension. American media conglomerate, Viacom, Nickelodeon's parent company, received a 5

percent royalty rate, which placed the deal in the mid-range of the usual 2 to 10 percent royalty typically charged to licensees. "Our intention was to create a win-win and get kids interested in fresh floral," Levin says. The resulting products included fresh flowers wrapped in a sleeve decorated with the character's likeness, plus an activity book and an invitation to collect all six of the products. As Levin says, "The kids get something, and Mom gets something, too."

While the arrangement was "good," Levin also calls it a learning experience, and admits there was a steep learning curve. First, there are geographical preferences for kids' cartoon characters, just as there are for fruits and vegetables. For example, Dora the Explorer did much better in the Southwest, where there's a large Spanish-speaking population, than in the Midwest, where there are fewer Hispanics. But the real challenge lay in the market. "You have to match the right product to the right market," Levin explains. "I'd do it again, but I'd do it differently. I would go after the Moms, the primary customer, instead of trying to create a whole new market with the kids. I've seen it work better in produce, with SpongeBob carrots and things like that."

CAUSE MARKETING: LICENSING WITH A PURPOSE

Cause marketing is closely related to licensed product sales. Cause marketing involves partnering with major charitable organizations such as Save the Children to



Matching the right product to the right market is key. Dora the Explorer licensed flowers were a hit in the Southwest, thanks to a large Hispanic population.

Photo courtesy of Dos Gringos

offer products emblazoned with that organization's logo. A portion of the proceeds of each sale is contributed to that organization. Cause marketing can be highly effective at moving products — think Lance Armstrong's Live Strong bracelets — but there are several complicating factors involved to have a truly successful campaign.

Scott Hill, vice president of sales and marketing for The USA Bouquet Co., in Miami, FL, has extensive experience with cause marketing in floral products. In addition to offering bouquets for breast cancer awareness, his company has partnered with Go Red for Women, the Red Dress campaign of the American Heart Association. USA Bouquet also offers the soon-to-be-trademarked Flowers of Hope program, which generates relief funds for assistance after disasters such as the earthquake in Haiti. The company plans to make the Flowers of Hope program available for retailers that want to offer customers meaningful ways to legitimately contribute toward disaster relief funds or other national and regional causes.

The first rule of cause marketing seems counterintuitive: It is not designed to

Beyond Balloons

One area where licensing does work extremely well in floral is the balloon business. Foil balloons festooned with cartoon characters are a mainstay in floral departments across the country, and many of them are distributed by burton & BURTON, in Bogart, GA. These balloons, which also feature Nickelodeon cartoon characters, find themselves at millions of birthday parties every year.

According to Steve Rose, marketing coordinator for burton & BURTON, licensed balloons are an excellent profit source for produce departments. "The retailers pay 89-cents for a non-licensed foil balloon, and our MSRP is \$2.99," he details. "Licensed balloons wholesale for about \$1.50 each, depending on the character, but can retail for as much as \$4.99 each. It's low labor. It doesn't take up much space. All you do is inflate it and tie a ribbon to it."

There is, however, a science to maximizing sales of balloons. Floral buyers need to stay current with pop culture, as well as geographic preferences, so they can keep ahead of the curve. "The secret for stores is to anticipate the demand and be prepared for it," shares Rose. "Knowing which movie releases are coming out is very important. Obviously, kids are the biggest target audience for licensed characters. But as we all know, kids have short attention spans, and what is red-hot one day may not be two months later. Retailers should be up to speed on what are the latest in kids' TV shows, movies and even video games. By doing a little homework, retailers can be prepared when the wave of demand comes for the next big thing."

Looking to the past is also meaningful. Garfield the cat is a major license for burton & BURTON, and last year, the company had a strong boost when Garfield turned 30. In addition to Garfield bal-



Photo courtesy of burton & Burton

loons, best-selling licensed Garfield products include planters, cookie jars and especially mugs. Rose explains, "All of these make perfect sense for the grocery floral department as they make great gifts as well as impulse purchases, and appeal to a wide range of age groups. Those of us who grew up on Garfield are now at the age that we represent a huge potential market, whether we are buying for ourselves or our children."

When purchasing licensed products, retailers obviously consider regional preferences consumers may have, especially where sports teams are concerned. For example, three major Florida cities — Jacksonville, Tampa and Miami — have NFL football teams. Rose says the majority of sports balloons are sold during major sporting events such as the Super Bowl and World Series. Savvy retailers who study their demographics and know their customers offer a year-round, satisfying mix of licensed sports goods in the floral department.

Floral retailers looking to boost the offering of licensed products might consider more upscale items and collectibles. "We have the license for the Biltmore Collection, which includes vases, plates and tea sets that are reproductions of the display pieces at the Biltmore House in Asheville, NC," reveals Rose. He adds the demand for the Biltmore items is nationwide, but is especially strong in the Southeast.

pb

increase margins on licensed products. Customers don't pay a premium for products, for example, associated with the Go Red/Red Dress campaign. "We're looking at how we bring new customers into the floral department," Hill says. "Cause marketing drives revenue on promotions and incremental sales." This means carefully choosing the causes. USA Bouquet chose heart disease and breast cancer because both are of primary concern to women. (Heart dis-

ease is the No. 1 killer of American women.) And as Hill says, "Women are the No. 1 consumers of flowers."

This is, however, only part of the picture. First, large supermarket chains typically have favorite charities and causes they already support, so floral directors might be challenged in presenting competing charities to management. There is also the issue of the charity itself. In recent years, more attention has been paid to the



Photo courtesy of The USA Bouquet Co.

percentage of donated dollars that go toward administrative costs and those that go toward the actual cause. Groups such as Charity Navigator and CharityWatch.org use sophisticated metrics to rate charities based on their administrative expenses and long-term viability. "One of the things we look for in a charity is that we don't want a 40 percent administration fee," Hill explains. "We want every dollar possible to go toward charitable work."

Finally, there is the charity itself. Hill says charities typically agree to cause marketing because it can be a good way for them to raise money and awareness, but with larger, more established charities, there are often extreme caveats. Meeting the qualifications to become a partner can be tough. "Some of the larger charities have minimum donation amounts you have to meet to use their logo and become partners," Hill explains. "Often times, these minimum contributions make it difficult to work with certain organizations."

Overall, Hill predicts that cause marketing in the floral department has the potential to be a powerful tool in bringing in new consumers to the floral category. "We have supported cause marketing programs for three years now and have seen very positive results, but also believe there is huge potential for growth."

pb



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Three Cs Of Business

Recently, a friend was involved in a lawsuit against a municipality, and all the evidence available was admittedly liable, showing the municipality was legally responsible. The question remaining was determining the size of the settlement. The attorney, an experienced litigator representing the plaintiff, believed this would be an easy case. However, the litigator, with all of his argumentative skills, failed to identify the three Cs common to nearly every business activity: Know your company, know the competition and know your customer.

In the legal environment, knowing the company meant a complete understanding of how decisions were currently being reached for similar-type issues by the legal community. Settling governmental claims had taken on a different process than those in the private sector. Now the initial step in litigation has become mediation, rather than a jury trial. As the client and the lawyer were about to find out, a negligible number of such claims were being awarded to plaintiffs in jury trials were becoming expensive, and then, a fifty-fifty possibility — only at best — of net gain greater than from a mediated settlement.

The litigator had equally failed to recognize the position of the competition, the municipality, their recent history settling these types of claims, how well they understood the issues and the strategies and tactics they would most likely employ. In representing the plaintiff, i.e. the consumer, the litigator had relied on information from the lawyer representing the client prior to the actual mediation of the case, overlooking some information provided during the discovery process and the time sequence of the supplied information.

The bottom line is that the competition was able to minimize the size of the settlement to little more than actual expenses for medical costs and legal expenses — only a small fraction of the amount initially requested by the litigator in the introductory elaborate presentation. Had the three Cs been observed, needless time, effort and expense for all parties could have been eliminated while achieving a similar outcome.

In business, failing to properly recognize any of the Cs can be not only expensive, but disastrous to the organization. After all, most business activities parallel a war, and knowing their competitors as well as they know themselves is a priority. However, the place to begin is understanding one's own organization whether it is a producer, wholesaler, retailer or service organization. What is the strategy of the company for achieving its goals and what tactics are available for achieving those ends? Does the company want to be

identified for top quality, low price, service, low operational cost or something else? Whatever it is, all of the synergies should be focused upon achieving the goal.

These decisions cannot be made in a vacuum, without considering reactions by both consumers and competitors. The most successful organizations know their competitors and consumers as well as they know themselves.

What will the reaction be to price changes, marketing direction, service levels or the like? At times, depending on the relative competitive position, price changes are made to send a message to the competitor, especially in a very competitive marketplace. Is the message one of we can go as low or lower than you can, or is there a higher price initiation to determine if the competitor is interested in raising retail?

Whenever there is an unusual occurrence of external circumstances, such as the current economic upheaval, then an organization's knowledge of competitors' and consumers' anticipated reactions pays dividends.

Sometimes, a unique approach can be developed in a challenging market, which generates additional consumer interest, while at the same time present a challenge for competitors to counteract. In the years following the great cranberry cancer scare, back in the 1950s, producers were selling at extremely low prices, attempting to get consumers who formerly were large purchasers of the fresh product for Thanksgiving celebrations. Fresh cranberries were as price competitive at retail as were turkeys, with sales many times larger during that season than they are today.

A major question was how much, if any, was one prepared to lose. During those years, a major marketing tool was giving customers not only trading stamps based on total purchases, but also coupons offering extra stamps with the purchase of specified items. At the time, a hundred stamps cost approximately the same as a pound of cranberries. Instead of offering stamps with the purchase of a specified amount of fresh produce, the coupon read FREE cranberries when the customer purchased three dollars of fresh fruit and vegetables. "Free" was the magic word; competition did not counteract and both produce sales and total store sales set records for the period.

Since then, trading stamps have nearly disappeared, but buy-one-get-one-free has evolved into a major marketing replacement for a number of chains. Observing the three Cs coupled with continuous innovation are cornerstones of successful marketing. **pb**

Decisions cannot be made in a vacuum, without considering reactions by both consumers and competitors. The most successful organizations know their competitors and consumers as well as they know themselves.



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Reader Service # 11



Online Grocery Purchasing Works Across The Pond. Is It Feasible Stateside?

Imagine a grocery store that remembered your past purchases and provided you with personalized recommendations. Now imagine that grocery store as a Web site that didn't charge delivery fees, color-coded your shopping bags by category and allowed you to order your groceries from anywhere in the world — on or offline.

It's this level of convenience that has enabled online shopping to thrive in the UK grocery market. Unlike in the United States, virtually all of the major UK supermarket operators provide a full e-commerce offering, with many retailers now expanding their sites to include general merchandise and services, as well as launching mobile platforms. Despite many similarities between the UK and the United States in terms of consumer behavior and demographics, the online grocery channel has failed to have the same impact on American soil. So why hasn't online grocery retail taken off in the United States?

Firstly, it's important to note that growth in the U.S. online grocery channel has been seriously hindered by market conditions. The UK is a small country that is geographically the same size as Oregon. However, with a dense population of 60 million, e-commerce delivery is an efficient and viable option for retailers. Similarly, there is a high degree of retail concentration in the UK, which has resulted in extremely strong branded retailers; the Top 5 grocers account for 55 percent of the total market, compared to just 29 percent in the United States. Also in America, with the exception of urban areas where online retailing works quite well, the combination of a sparse population, high levels of car ownership and inexpensive fuel — when compared to the UK — has thwarted the development of the online grocery sector.

As a result of these inefficiencies and market conditions, American supermarkets have yet to fully embrace the channel. Convenience is the premise of online grocery shopping, but what is convenient about four-hour delivery windows, high delivery fees and a \$50 minimum purchase? Due to a lack of scale, it is clear that these fees and minimum orders are essential to at least partially cover the retailer's costs. However, online grocery will never gain momentum in the United States until retailers are willing to invest more in making the experience one that is convenient and enticing for shoppers.

CONVENIENCE COUNTS

Quite a lot can be learned from the British system, perhaps, most importantly, that online grocers can provide a true point of differentiation through convenience. One of the most recent innovations in this field has been the launch of online recipes that link all of the ingredients to a shopper's basket with just one click. Online grocer, Ocado, was the first to debut the service and market leader, Tesco recently followed suit with the launch of Tesco Real Food in February. This unprecedented level of convenience will drive repeat trips, and ultimately, differentiate the online channel from brick-and-mortar stores. At the same time, it allows retailers greater control over the purchasing decision — it's no coincidence that six of the eight ingredients needed for Ocado's Asparagus Risotto are private label items.

American consumers would also benefit from an Instant Order service such as Ocado's, which automatically compiles a basket of goods based on a shopper's order history. The online grocer also makes the delivery process straightforward and convenient, sending text messages to customers with delivery information, including the name of the driver.

In the ultimate move toward convenience, many UK grocers are now launching mobile Web sites for shoppers on the move. Ocado on the Go offers 18,000 SKUs and, unlike many iPhone apps, shoppers do not even need to be online to place an order. Mobile shopping on the whole is gaining momentum due to a combination of more mainstream consumers using smartphones as well as retailers creating mobile-specific shopping platforms. By 2015, goods and services bought via mobile phones are expected to account for 8 percent of e-commerce sales. Mobile shopping in the United States is still in its infancy, although there are some online grocers, such as FreshDirect.

CONFRONTING ONLINE OBSTACLES

One of the biggest obstacles for an online grocer is to convey quality in perishables. It is often the major category that shoppers hesitate to buy online due to the inability to see, touch and smell the produce. Grocers in the UK are working to address this by offering vegetable boxes that come in bulk, directly from the farm. Once again, innovator Ocado created a new first for the industry last year when it launched use-by date guarantees. Unlike most online grocers in the UK, which pick items from the store, Ocado's deliveries come from a temperature-controlled warehouse. The retailer has used that to its advantage by printing use-by dates online and on customer receipts for each product ordered.

DELIVERING VALUE

The recession has done little to dent the success of Britain's online grocers. In fact, most benefited from the economic downturn as shoppers turned to the Internet for price transparency and the ability to avoid impulse purchases that may have otherwise occurred in-store. Pricing became more competitive online and value-focused private label lines were launched. Waitrose, one of the most premium grocers, began price-matching Tesco online. Meanwhile, Tesco launched Cheaper Alternatives; when shoppers select a branded item, a cheaper alternative — private label in most cases — is also displayed to offer shoppers more value and choice.

What's more, delivery fees may soon be abolished. Waitrose became the first supermarket in the UK to do so last year. It's no surprise that like-for-like sales at Waitrose.com were up 39 percent in 2009.

The increased adoption of smartphones by mainstream consumers will put pressure on retailers to improve their online/mobile offering. Although grocery e-commerce may never reach the same penetration as in the UK, there will certainly be demand from a consumer's perspective for a fast, convenient and value-led shopping experience. **pb**



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Blast from the Past

The more things change, the more they stay the same." This age-old adage couldn't be more fitting a description for the produce industry, and this classic photo from 1970 brings the point home. Taken at the annual dinner for the officers of the New York branch of the United Fresh Fruit & Vegetable Association, pictured from left to right are Stephen D'Arrigo, Nicholas Armata, Al Nagelberg, Chet Levatino, Arthur Slavin and Lew Sherman.

D'Arrigo, Armata, Nagelberg and Levatino were merchants on the Hunts Points Market, in the Bronx, NY. D'Arrigo passed on his business, D'Arrigo Bros. Co. of New York, Inc., to

his sons, Paul, Michael and Matthew, while Armata did the same. Sons, Chris and Paul Armata, now run the show at E. Armata Inc. While Nagelberg simply closed up shop, Chet Levatino joined the team at D'Arrigo Bros as a vice president for some time after closing his own business.

Although Slavin and Sherman did not own wholesale businesses on the market, they were instrumental to the inner workings of the market in their own way. Slavin served as an attorney for both the Hunts Point Market and the New York chapter of the United Fresh Fruit & Vegetable Association, for which Sherman was the coordinator and chairman. When that dissolved, he ran the New York Produce Trade Association, which, along with the Hunts Point Market Co-op, ensures the terminal market runs smoothly.

PRODUCE BUSINESS thanks Matthew D'Arrigo of D'Arrigo Bros. Co. of New York Inc. for sharing this photo with us.

The *Blast from the Past* is a regular feature of PRODUCE BUSINESS. We welcome submissions of your old photos, labels or advertisements along with suggested captions. Please send materials to: Editor, PRODUCE BUSINESS, P.O. Box 810425, Boca Raton, FL 33481-0425, or e-mail info@producebusiness.com



INFORMATION SHOWCASE

APRIL 2010

COMPANY	PAGE #	RS#	PHONE	FAX
A&A Organic Marketing, Inc.	28	75	831-768-0300	831-685-0302
Abbott & Cobb	75	79	800-345-SEED	215-245-9043
Abbott & Cobb	76	80	800-345-SEED	215-245-9043
Agrexco USA, Ltd.	24	17	718-481-8700	718-481-8710
Albert's Organics	29	29	678-429-9497	610-444-0316
Maurice A. Auerbach, Inc.	27	28	888-AUERPAK	201-807-9596
Blue Book Services	95	11	630-668-3500	630-668-0303
California Sun Dry Foods	65	25	800-995-7753	925-743-9936
Canadian Produce Marketing Association	26	3	613-226-4187	613-226-2984
Capital City Fruit Co., Inc.	68	32	515-981-5111	515-981-4564
Castle Rock Vineyards	50	51	661-721-8717	661-721-0419
Chep USA Inc.	5	76	800.CHEP.USA	407-422-4614
Christopher Ranch	28	2	408-847-1100	408-847-0581
Ciruli Brothers	21	60	520-281-9696	520-281-1473
Concord Foods	33	43	508-580-1700	508-584-9425
Coosemans L.A.	81	78	213-689-1551	213-689-1583
Country Sweet Produce, Inc.	30	73	661-858-1073	661-858-0306
Curry & Company	55	18	800-929-1073	503-393-6085
DeBruyn Produce Co.	56	61	800-733-9177	616-772-4242
Del Monte Fresh Produce	100	40	800-950-3683	305-520-8495
Dole Fresh Fruit Company	2	7	818-879-6600	818-879-6628
Dole Fresh Vegetable Co.	23	39	800-333-5454	831-754-5243
dProduce Man Software	16	13	888-PRODMAN	650-712-9973
Duda Farm Fresh Foods, Inc.	70	30	866-792-DUDA	831-575-5078
Duda Farm Fresh Foods, Inc.	53	31	866-792-DUDA	561-978-5705
Earthbound Farm	30	44	888-624-1004	831-623-7886
East Coast Brokers & Packers, Inc.	99	42	800-557-7751	863-869-9850
Eureka Specialties, Inc.	85	53	213-488-6470	213-488-6480
Family Tree Farms	37	37	866-FLAVOR-1	559-595-7795
Four Seasons Produce, Inc.	16	23	800-422-8384	717-721-2597
Fresherized Foods	34	62	817-509-0626	817-509-0636
George Zaninovich	89	74		
Giannini Packing Corp.	71	22	559-591-3758	559-591-5708
Gills Onions	61	63	800-348-2255	805-240-1932
Giorgio Fresh Co.	51	33	800-330-5711	610-429-3810
The Giumarra Companies	41	38	509-663-4409	213-628-4878
Global Organic Specialty Source, Inc.	28	64	877-952-1198	941-358-6551
Grimmway Farms	15	27	661-845-9435	661-393-6458
Grower Alliance, LLC	74	59	520-761-1921	520-377-9189
Al Harrison Co. Dist.	74	46	520-281-1222	520-281-1104
Heath & Lejeune, Inc.	79	65	213-614-1909	213-614-6856
L.G. Herndon Jr. Farms, Inc.	56	66	912-565-7640	912-565-7158

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Idaho Potato Commission	25	34	208-334-2350	208-334-2274
Index Fresh of California	35	6	909-877-1577	909-877-0495
J J Jardina Company, Inc.	45	19	404-366-8688	404-366-1386
Jem D International	66	5	519-733-3663	519-733-9970
Kerian Machines, Inc.	68	67	800-551-5188	701-352-3776
Kern Ridge Growers, LLC	28	20	661-645-3156	661-854-2832
Lakeside Organic Gardens	29	58	831-761-8797	831-728-1104
Mann Packing Company, Inc.	9	4	800-884-6266	831-422-5171
Mastronardi Produce, Ltd.	63	41	519-326-1491	519-326-8799
Melissa's/World Variety Produce, Inc.	85	52	800-468-7111	323-588-7841
Mission Produce, Inc.	36	1	888-549-3420	805-981-3660
MIXTEC Group	14	35	626-440-7077	626-440-1557
Monte Package Company	INSERT		800-653-2807	616-849-0185
Mooney Farms	67	26	530-899-2661	530-899-7746
Morada Produce Company	37	57	209-546-1816	209-546-1822
Nickey Gregory Company, LLC.	43	47	404-366-7410	404-363-1169
Pandol Brothers, Inc.	70	9	661-725-3145	661-725-4741
Peri & Sons Farms	58	14	775-463-4444	775-463-4028
Plantation Sweets	59	68	800-541-2272	912-684-4545
Primavera Marketing, Inc.	37	49	209-931-9420	209-931-9424
Produce for Better Health Foundation	77	12	302-235-2329	302-235-5555
PuraVida Farms	73	54	480-588-7012	480-686-9253
PuraVida Farms	87	55	480-588-7012	714-686-9253
Roberson Onion Co.	58	21	912-375-5760	912-375-3610
Ruma Fruit & Produce Co., Inc.	24	69	800-252-8282	617-387-7894
SAGRAPA - Embassy of Mexico	48-49	83	202-728-1729	202-728-1728
Sambrailo Packaging	18	10	800-663-4467	831-724-1403
Shuman Produce, Inc.	57	16	912-557-4477	912-557-4478
Silver Creek Software	14	81	208-388-4555	208-322-3510
Stemilt Growers, Inc.	37	50	509-662-9667	509-663-2914
Sun World International	71	71	760-398-9430	760-398-9613
Sweet Onion Trading Company	60	15	800-699-3727	321-674-2003
Tavilla Sales Company of L.A.	82	56	800-421-9626	213-622-0004
Trinity Fruit Sales	37	77	559-433-3777	559-433-3790
Umina Bros., Inc.	79	48	805-488-6658	805-488-0976
United Fresh Produce Association	31	8	202-303-3400	202-303-3433
Village Farms	69	45	877-777-7718	610-429-6222
VIP Marketing, Inc.	83	72	213-833-7784	213-833-7788
Well-Pict Berries	71	36	831-722-3871	831-722-6340
West Coast Tomato, Inc.	64	82	941-729-4537	941-729-6778
Zespri International	39	24	650-368-2870	650-745-1419



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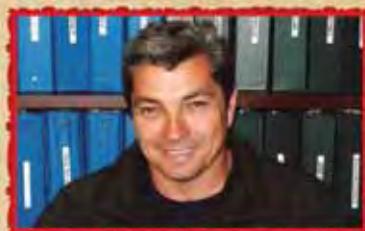
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